

The Hauraki Rail Trail Charitable Trust Annual Report FY2020

As per Section 9 of the Funding Agreement, the Hauraki Rail Trail Charitable Trust is required to present its audited annual accounts and annual report (“Annual Report”), and all the information each Council requires to meet its obligations under the Local Government Act 2002 for annual reporting purposes (including, without limitation, Schedule 10 of the Local Government Act 2002) whether or not the Trust is an exempted council-controlled organisation (CCO) under section 7(3) of the Local Government Act 2002.

As per section 7(3) of the LGA, all three settlor councils have exempted the Hauraki Rail Trail Charitable Trust from the high level reporting requirements of a CCO. This review occurs every three years. Exemptions were approved as follows:

- Hauraki District Council 27 September 2017
- Thames-Coromandel District Council 31 October 2017
- Matamata-Piako District Council 8 November 2017

The process is underway to renew the CCO exemption in 2020

Audit New Zealand has completed its audit of the Trust’s FY2020 accounts. Changes to the original timing of the audit pushed the completion date through to December 2020.

We have been pre-advised of the comments likely to be in the audit opinion as being:

Sensitive Expenditure – Travel. As per the Sensitive Expenditure policy, travel should be pre-approved. Audit NZ noted that in the instance where travel occurred during the year, approval was not in written form but in a verbal commitment from executive trustees. They recommend that any travel approvals are in written form, so to compliance can be confirmed with the Sensitive Expenditure policy.

- Payrises – effective prior to 1st July of each year. Audit NZ discussed the limitations of our accounting software MYOB regarding changes in pay rates. They provided some suggestions that will assist moving forward.

The final audit opinion was not available at the time of writing this report and will be tabled at the meeting if available.

The Annual Report outlines the deliverables against the agreed business plan below:

1. Brand/Marketing and Communication

Key Outcome: To grow awareness of the Hauraki Rail Trail brand and to increase the numbers of users (domestic and international) across the length of the Hauraki Rail Trail.

Specific Actions

Task	Specific	Progress
Strategic Partner development	<ol style="list-style-type: none"> 1. NZCT AGM 2. National and Regional Cycle Trail workshops 3. Wider collaboration with key industry partners 	Attendance <ul style="list-style-type: none"> • NZCT Conference • Waikato Regional Council Cycle Trail Network
Brand review	<ol style="list-style-type: none"> 1. Brand development 2. Brand guidelines 3. Trademarking 	<ul style="list-style-type: none"> • Branding in place with consistency on use of brand • Rolling out signage with new brand across network ongoing

Develop a marketing and communications strategy	<ol style="list-style-type: none"> 1. General 2. Specific Events, i.e. Official Opening/track extension 	<ul style="list-style-type: none"> • Major spend in FY2020 in social media/newsletter/blog development. • Australian campaign held in October 2019 outcomes impacted by COVID • COVID19 comms distributed to councils, public and official partners.
Identify business opportunities	<ol style="list-style-type: none"> 1. Support new business development 	<ul style="list-style-type: none"> • Supporting council Econ Dev teams • Working with industry to develop packages to grow visitor nights • Meetings with new service providers • Provision of statistics and research to support business concept development
Support product development	<ol style="list-style-type: none"> 2. Support development of at least 2 commissionable Trade products 	<ul style="list-style-type: none"> • Manawaru Café 77 • Te Aroha West Old Forge. • NOTE: Neither are commissionable but large investment • Visibility of new product through Board meetings/Official partner programme etc.
Promote all legs of the Rail Trail	<ol style="list-style-type: none"> 1. Develop Trail Collateral 	<ul style="list-style-type: none"> • Dedicated and managed Social Media Presence • Track maps • Location maps • Brochures • Design costs • Trail Signage • Tear off maps • Promotional Banners
Encourage events	<ol style="list-style-type: none"> 1. Destination Coromandel 2. Hamilton-Waikato 3. Website promotion 	<ul style="list-style-type: none"> • Promotion on website • Promotion of accommodation/hospitality options to Tour Aotearoa (1500 riders)
Communicate research data to Trail partners	<ol style="list-style-type: none"> 1. Official partner programme 2. Website/social media channels 3. Via newsletter 	<ul style="list-style-type: none"> • Trust sends research outcomes to Official Partners periodically
Produce a range of HRT specific retail product to support the development of the Rail Trail	<ol style="list-style-type: none"> 1. Marketing/Retail product development to sell through info centres and official partners/web 	<ul style="list-style-type: none"> • On hold
Concession Programme	<ol style="list-style-type: none"> 1. All cycle hire and touring businesses with a concession 2. All businesses that use the HRT logo with a concession 	<ul style="list-style-type: none"> • Official Partner Programme increasing in numbers.
Official Partner Programme	<ol style="list-style-type: none"> 1. 30 Official Partners 2. 4 workshops 3. 3 cluster groups 	<ul style="list-style-type: none"> • 70 Official Partners up from 48 last year

	4. 1 industry rep on HRT Advisory group	<ul style="list-style-type: none"> • No addition to HRT advisory group as yet. • Clusters starting to form (SODA)
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2. Trust Administration and Management

Key Outcome:

To establish a clear set of operating protocols that raises the professionalism of the Trust, while giving confidence to the Councils to continue supporting the Trust and Rail Trail development.

Specific Actions

Task	Specific	• Progress
Prioritise and allocate actions	<ol style="list-style-type: none"> 1. Regularly review Trust meeting frequency 2. Develop an action plan and report against it 	<ul style="list-style-type: none"> • Meetings moved to quarterly in 2018 working well • Action plan is contained in business plans, for FY2020 and approved by settlor councils.
Set up of Trail documentation systems and processes	<ol style="list-style-type: none"> 1. Financial Controls and spending authorities 2. Fraud and Sensitive Expenditure 3. Operational 4. Emergency Plans 	<ul style="list-style-type: none"> • Financial/Sensitive Expenditure/Fraud policy/procedures reviewed and updated • FY2020 Audit still in progress, no material issues found to date. • Emergency plans to be reviewed FY2021 when whole trail is complete.
Major project management	<ol style="list-style-type: none"> 1. Develop specific plans and tasks with delegated RASCI for major project tasks 	<ul style="list-style-type: none"> • Extensions nearing completion • Member of Governance and technical teams. • High level of support for Historical Maritime Park PGF application and project rollout
Prepare and manage annual plans and budgets	<ol style="list-style-type: none"> 1. Prepare annual plans and budgets. 2. Incorporate feedback from councils 	<ul style="list-style-type: none"> • one-year budget to FY2021 delivered to settlor councils on basis of FY2019 underwriting
Prepare and manage Long Term Plans and budgets	<ol style="list-style-type: none"> 1. Prepare Long Term Plans and budgets 	<ul style="list-style-type: none"> • 10-year budgets presented in FY2020 to councils for LTP process
Information Management	<ol style="list-style-type: none"> 1. Establish and maintain information management systems 2. Ensure security of confidential documentation 3. Ensure all electronic documentation is regularly backed-up and secure 	<ul style="list-style-type: none"> • Moved to online cloud-based system • Restricted access to confidential information
Reporting	<p>Meet all reporting requirements for</p> <ol style="list-style-type: none"> 1. Audit NZ 2. Settlor Councils 3. Charities Office 4. NZCT 	<ul style="list-style-type: none"> • Ongoing and current

Establish an ongoing review process for Trail documentation	<ol style="list-style-type: none"> 1. Identify list of key documentation including <ol style="list-style-type: none"> a. Trust Deed b. Financial documents c. Management Agreement(s) d. Underwriting Agreement e. CCO Exemptions f. Asset Register g. Asset Maintenance h. HSE and Emergency Plans i. NZCT 	<ul style="list-style-type: none"> • Ongoing • Trust Deed reviewed and updated • Accountancy services working well. • Management agreement signed. • All CCO exemptions to be reviewed FY2021 • Asset Management Plan in development. • All major assets recorded and GPSd ongoing • Trail maintenance sitting with HDC. • HSE and Emergency Plans require review (Eric Hamilton) • NZCT compliance current.
Recognition of Success	<ol style="list-style-type: none"> 1. Identify items at Trust and Stakeholder meetings and communicate accordingly 	<ul style="list-style-type: none"> • Ongoing

Trail Operation

Key Outcomes: Maintenance of the Rail Trail to a grade one standard as outlined in the NZCT Nga Haerenga Cycle Trail Design Guide

Specific Actions

Task	Specific	Progress
As per the management agreement variation advice dated 30 August 2016 and in conjunction with the Asset managers, the responsibility for Asset Management currently sits with HDC.	<ol style="list-style-type: none"> 1. The Rail Trail is maintained to grade one standard by <ol style="list-style-type: none"> a. Biannual inspections of no less than 10km of the trail b. Develop condition assessment criteria and methodology 2. Implement and maintain a Health and Safety Plan for routine maintenance work 3. Implement and maintain an Asset Management plan for the Rail Trail assets 4. Prepare annual and forward routine maintenance budgets 5. Undertake track grading inspections with NZCT as and when required 6. Manage and maintain the Kiwirail lease in accordance with the requirements of the lease agreement dated April 2011 and any updates or amendments thereof 7. Manage and maintain all leases with private landowners in accordance with the requirements of each individual lease agreement 8. Maintain the resource consents for the Rail Trail operation and adhere to the resource consent requirements regarding the physical assets 9. Communicate with adjacent landowners as and when required in relation to routine maintenance works 	<ul style="list-style-type: none"> • Achieves • WOF rating of 4.2 up from 3.69 in FY2019 • Asset management software purchased and in use sporadically by maintenance teams. • SLA agreement outlining response times and work priorities in place completed by Lisa Moore

	<p>10. Managing the Rail Trail during weather events. This includes closing the Rail Trail as required and reopening following inspections and any routine emergency repair works required to make the track safe</p> <p>11. Responding to any service requests relating to track safety or routine maintenance</p>	
Prepare and submit the Trail Warrant of Fitness as required by NZCT	Significant improvement in rating from 67% (May 2017)	<ul style="list-style-type: none"> • Succeeded in getting to target of 4 (actual 4.2) FY2020
Implement the signage strategy over the entire length of the Rail Trail	<ol style="list-style-type: none"> 1. Ensure signage is 100% consistent signage strategy 2. Raise funds for implementation of signage. 	<ul style="list-style-type: none"> • Ongoing investment needed
Support the commitment to full build of the Rail Trail from Kaiaua to Matamata	<ol style="list-style-type: none"> 1. Business plan development 2. Funding applications 	<ul style="list-style-type: none"> • Achieved • Construction underway • Completion Date expected April 2021.

3. Quality Assurance and Data Collection

Key Outcomes:

- Accurate and timely trail usage data.
- Valid visitor survey data providing information on the quality of visitor experience.
- To ensure compliance by the Rail Trail of critical standards such as brand usage and membership criteria.

Specific Actions

Task	Specific	Outcomes
Maintenance	<ol style="list-style-type: none"> 1. Monitor Social media feedback and report known issues to the Service Department 2. Join the inspection rides of the Rail Trail 3. Take the lead on funding applications to the MGR Fund 	<ul style="list-style-type: none"> • Dedicated contractor managing social media presence. • Attending inspection rides when possible. • MGR funding 100 per cent successful to date
NZCT Membership	<ol style="list-style-type: none"> 1. Ensure all reporting and membership requirements are met: <ol style="list-style-type: none"> a. Reporting on: <ol style="list-style-type: none"> b. - visitor numbers c. - regular newsletters d. - Attendance at NZCT events 2. Hosting NZCT personnel as required. 	<ul style="list-style-type: none"> • Ongoing and up to date • Regular newsletter developed and going out quarterly • Attendance at NZCT conference and AGM

4. Stakeholder Relationships and Communications

Key Outcome: To create the Hauraki Rail Trail community of engaged businesses that support the Trust in taking the Rail Trail from good to great.

Specific Actions

Task	Specific	Outcomes
1. Improve communications, access to and transparency of information to stakeholders at all levels	<ol style="list-style-type: none"> 1. Develop a communications plan in conjunction with the Settlor council staff 2. Create portals on the website for central document collation 	<ul style="list-style-type: none"> • Ongoing. • Website portal active but not being used regularly
2. Monthly stakeholder newsletters	<ol style="list-style-type: none"> 1. Mailchimp on website, and regular mail-outs to key partners 	<ul style="list-style-type: none"> • Using Mailchimp database for comms. • Regular comms to Official Partners (monthly)
3. Manage updates (i.e. track closures)	<ol style="list-style-type: none"> 1. Updates through social media and other partners 	<ul style="list-style-type: none"> • Ongoing and current via website /NZCT/other partners
4. Roll out the official Rail Trail website	<ol style="list-style-type: none"> 1. July 2017 then ongoing 	<ul style="list-style-type: none"> • Active
5. HRT Advisory Group meetings	<ol style="list-style-type: none"> 1. Attendance and support 	<ul style="list-style-type: none"> • Regular attendance at bi-monthly meetings
6. Chairperson to meet with Mayor/Council on a six-monthly basis	<ol style="list-style-type: none"> 1. Strategic discussion on progress and future direction 	<ul style="list-style-type: none"> • Trust is regularly meeting with HDC/MPDC councils. Not met with TCDC council in FY2020

7. Regular progress report to CEO's of councils after each board meeting	1. Provide quarterly report	<ul style="list-style-type: none"> • Minutes to be sent though upon signing
8. Continue to build iwi relationships	1. Ensure kaupapa Māori protocols are respected and relationships are fostered	<ul style="list-style-type: none"> • Active iwi members on governance board. • Relationships developing • Strong iwi support of Tamm opening • Working relationship with Wairere Mahi on Tamm signage/landscaping installations
9. Stakeholder database	1. Compile and maintain for variety of purpose, i.e. media, leaseholders, businesses, etc	<ul style="list-style-type: none"> • Increased 16% 2335 registrations from 2000 in FY2019
10. Maintain relationship with Department of Conservation	<ol style="list-style-type: none"> 1. Attendance at DoC initiatives and community meetings 2. Maintain reporting on funding commitments 	<ul style="list-style-type: none"> • Ongoing. • Agreement required for Pūkororo-Miranda-Kaiua extension underway with Adrian De Laborde leading • DoC Reporting current.
11. Develop and maintain relationship with NZCT network partners and MBIE, NZTA, WRC	<ol style="list-style-type: none"> 1. Attendance at NZCT partner workshops where appropriate 2. Support of others in the network 	<ul style="list-style-type: none"> • Ongoing and current. • Support of other councils who have responsibility for Great Rides, particularly around governance. • Active in WRTCN Network
12. Community group relationships	<ol style="list-style-type: none"> 1. Speaker at group meetings 2. Support funding initiatives i.e. HELP Waihi 3. Leverage from initiatives where possible 	<ul style="list-style-type: none"> • Ongoing and active. • HELP Waihi funding leveraged • Stakeholder engagement when requested
13. Develop and enhance relationship with local information centres	1. Use information network as referral point for booking enquiries	<ul style="list-style-type: none"> • Active, and highlighted on website as main booking source
14. Enhance relationship with Regional Tourism Organisations (Destination Coromandel and Hamilton/Waikato Tourism)	<ol style="list-style-type: none"> 1. Include in HRT advisory group 2. Support product development 	<ul style="list-style-type: none"> • Active and strong relationships in place. • RTO's active members of Advisory Group. • Joint Ventures

5. Funding

Key Outcome:

The Trust secures at least three major partners by the end of FY2018 and is generating over \$50,000 of cash or in-kind product/services.

Specific Actions:

Task	Specific	Outcomes
1. Corporate Sponsorship	<ol style="list-style-type: none"> 1. Identify potential corporate sponsors 2. Develop sponsorship proposals that match client profiles 	FY2019 Large sponsors include: <ul style="list-style-type: none"> • HELP Waihi (\$28K) • Local Farmers (\$30K) • Paeroa Info Hub (\$6K) • James Say Searle Trust (\$10K) • Rotary (\$30K)
2. Establish strong credibility and professionalism that attracts support from financial funding partners.	<ol style="list-style-type: none"> 1. Manage strong brand image and ensure compliance 	<ul style="list-style-type: none"> • Successful MGR funding applications 600K of projects. • Manage extension claims
3. Engage the services of a funding specialist to give capability and capacity during its transition period.	<ol style="list-style-type: none"> 1. Identify targeting funding needs to grow capacity and capability 	<ul style="list-style-type: none"> • Opportunity FY2020/21 for major funding (circa \$5m) delayed due to COVID19
4. Leverage off economies of scale in purchasing products and services that are common across the NZCT network.	<ol style="list-style-type: none"> 1. Identify commonality of products within the network 	<ul style="list-style-type: none"> • Not happening yet
5. Raise \$1.2 million to complete the Kaiua to Kūporoporo/Miranda section	<ol style="list-style-type: none"> 1. Support Settlor councils with grant applications to MBIE and local politicians 	<ul style="list-style-type: none"> • Successful
6. Raise \$4.8 million to construct the Te Aroha to Matamata section of the Rail Trail	<ol style="list-style-type: none"> 1. Support Settlor councils with grant applications to MBIE and local politicians 	<ul style="list-style-type: none"> • Successful



THE HAURAKI RAIL TRAIL CHARITABLE TRUST
Performance Report for the year ended 30 June 2020



ENTITY INFORMATION FOR THE YEAR ENDED 30 JUNE 2020

Legal name

Hauraki Rail Trail Charitable Trust (the Trust).

Type of entity and legal basis

The Trust is incorporated in New Zealand under the Charitable Trusts Act 1957. The Trust is a Council Controlled Organisation (CCO) as defined under section 6 of the Local Government Act 2002, by virtue of 50% of the votes at Trust meetings being indirectly controlled by three councils, Hauraki District Council (HDC), Matamata-Piako District Council (MPDC) and Thames-Coromandel District Council (TCDC). The Trust was exempted as a CCO by three settlor Councils in 2017. The three-year review process is due in FY2021.

The Trust's purpose or mission

The nature and scope of the Hauraki Rail Trail Charitable Trust's activities under the Trust Deed are relatively narrow and limited to governance of the Hauraki Rail Trail.

Structure of the Trust's operations, including governance arrangements

The Trust is the governance entity for the Hauraki Rail Trail and includes appointment made by each of Hauraki District Council (HDC), Matamata-Piako District Council (MPDC) and Thames-Coromandel

Main sources of the Trust's cash and resources

The main source of revenue is from underwriting agreements with the three councils and project funding from central government for the completion of stages of the trail and the maintenance of the trail.

Outputs

The main output of the entity is to operate, maintain, repair, develop and facilitate the use and enjoyment of the Hauraki Rail Trail Cycleway.

In undertaking its responsibilities, the Trust takes all reasonable steps to protect any areas of spiritual and cultural significance to mana whenua.

Approval of Trust Performance Report

The Board of Trustees adopted this performance report on 14 December 2020

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Chair of the Board

STATEMENT OF FINANCIAL POSITION
As at 30 June 2020

	Note	Actual 2020 \$	Actual 2019 \$	Actual 2018 \$
ASSETS				
Current Assets				
Bank Accounts & Cash	1	91,511	164,727	112,439
Debtors	2	67,550	2,060	81,748
Prepayments				
GST Receivable		4,283		
Total Current Assets		163,344	166,787	194,187
Non- Current Assets				
Vehicle, Furniture, Equipment and Signage	3	61,597	54,472	61,518
Total Non-Current Assets		61,597	54,472	61,518
TOTAL ASSETS		224,941	221,259	255,705
LESS				
LIABILITIES				
Current Liabilities				
Creditors & Accrued Expenses	4	108,063	80,709	129,319
Income in Advance				3,000
Employee Costs Liability	5	17,214	20,767	17,561
GST Liability			5,838	2,750
Total Current Liabilities		125,277	107,314	152,630
NET ASSETS		99,664	113,945	103,075
Represented by:				
EQUITY				
Retained Earnings	6	99,664	113,945	103,075
TOTAL EQUITY		99,664	113,945	103,075

The accompanying notes form part of these statements.

STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 30 June 2020

	Note	Actual 2020 \$	Budget 2020 \$	Actual 2019 \$	Actual 2018 \$
REVENUE					
Underwriting - Strategic		360,209	360,209	380,322	319,020
Underwriting - Proportional		230,965	224,651	224,569	44,633
Grants / Funding	7	607,819	911,920	208,779	43,753
Merchant Sales		0	0	344	2,352
Official Partner Programme		38,019	50,000	35,272	46,303
Leases (Sub Leases)		2,013	2,013	4,025	3,150
Interest Earned		-	-	-	-
TOTAL REVENUE		1,239,025	1,548,793	853,311	459,211
EXPENSES					
Audit Fees for the Financial Statement audit		16,843	18,000	15,170	14,934
Administration		72,504	68,143	77,543	63,792
Depreciation		8,750		8,235	2,442
Employee Related Costs	8	140,862	130,656	126,104	125,770
Trustee Expenses	9	20,432	19,100	21,291	16,540
Travel Expenses		13,374	18,500	15,943	9,478
Fees		720	1,080	565	355
Trail Lease Reimbursement					850
Trail Repairs & Maintenance					28,447
Other Trail Operations		150,508	156,792	83,475	12,043
Professional Services		8,927	8,200	7,640	15,732
Marketing and Website Development		71,645	73,675	50,058	46,346
Stakeholder engagement		4,191	4,500	4,301	2,721
Grant Expenditure		514,373	874,788	207,465	
Proportional Expenses		230,019	224,651	224,651	44,633
TOTAL EXPENSES		1,253,148	1,598,085	842,441	384,083
EXCESS EXPENSES OVER REVENUE FOR YEAR		-14,123	-49,292	10,870	75,128

The revised budget was reviewed at the Trust's quarterly meeting held 2 December 2019 at Paeroa.
The accompanying notes form part of these statements.

STATEMENT OF CASH FLOWS
For the year ended 30 June 2020

Note	Actual 2020 \$	Actual 2019 \$	Actual 2018 \$
Cash flows from Operating Activities			
Receipt of council funding	527,111	599,380	370,978
Receipt of other grants and donations	607,820	205,779	19,437
Receipts from other revenue	38,605	65,695	47,303
Payments to suppliers and employees	-1,220,756	-820,465	-331,371
GST (net)	-10,121	3,088	-8,215
<i>Net cash flow from operating activities</i>	-57,341	53,477	98,132
Cash flows from investing and financing activities			
Payments to acquire property, plant and equipment	-15,875	-1,189	-58,523
<i>Net cash flow from investing and financing activities</i>	-15,875	-1,189	-58,523
Net Increase / (decrease) in cash for the year	-73,216	52,288	39,609
Add opening bank accounts and cash, including bank overdraft	164,727	112,439	72,830
Closing bank accounts and cash, including bank overdraft	91,511	164,727	112,439

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2020

Accounting policies applied

BASIS OF PREPARATION

The Board has elected to apply Tier 3 PBE SFR-A (PS) *Public Benefit Entity Simple Format Reporting – Accrual (Public Sector)* on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

The accounting policies adopted in these financial statements are consistent with those of the previous financial year and no changes have been made during 2020.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

GOODS AND SERVICES TAX

Hauraki Rail Trail Trust is registered for GST.

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

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statements of financial position.

SIGNIFICANT ACCOUNTING POLICIES

Revenue

Revenue is measured at fair value of consideration received.

The main sources of revenue are from underwriting agreements with the councils and commission from bookings through the rail trail website.

Council, government, and non-government grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met (“use or return condition”). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Employee related costs

Wages, salaries, and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries, and leave entitlements.

Superannuation contributions are recorded as an expense as staff provide services.

Advertising, marketing, administration, overhead, and fundraising costs

These are expensed when the related service has been received.

Bank Accounts and cash

Bank accounts and cash include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Leases

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Vehicles, Furniture, Equipment and Signage

Furniture, Equipment and Signage is recorded at cost, less accumulated depreciation and impairment losses.

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Depreciation is provided on a straight-line basis at rates that will write off the cost of the assets over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Furniture and fittings 5 years (20%)

Equipment 3 years (33%)

Signage 10 years (10%)

Vehicles 5 years (21%)

Debtors

Short-term debtors and other receivables are recorded at their face value, less any provision for impairment.

Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.

Employee costs payable

A liability for employee costs payable is recognised when an employee has earned the entitlement.

These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date. A liability and expense for long service leave and retirement gratuities is recognised when the entitlement becomes available to the employee.

Income Tax

The Trust is a registered charity and is exempt from income tax. Accordingly, no provisions have been made for income tax.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

1 Bank Accounts & Cash	2020	2019	2018
Westpac cheque account	80,234	144,171	105,300
Westpac savings account	11,277	20,556	7,139
Total Bank Accounts & Cash	91,511	164,727	112,439

Net bank accounts and cash for the purposes of the Statement 91,511 164,727 112,439

2 Debtors	2020	2019	2018
Debtors	2,875	1,448	27,502
Related parties debtors (Councils)	64,675	612	54,246
Total Debtors	67,550	2,060	81,748

3 Vehicle, Furniture, Equipment and Signage

	Vehicle	Furniture	Equipment	Signage	Total
Carrying amount as at 1 July 2018		4,229	3532	53757	61,518
Additions			1,189		1,189
Depreciation Expense		1,208	1571	5456	8,235
Carrying amount as at 30 June 2019		3,021	3,150	48,301	54,472
Carrying amount as at 1 July 2019	0	3,021	3,150	48,301	54,472
Additions	13,035		2,840		15,875
Depreciation Expense	228	1,208	1,858	5,456	8,750
Carrying amount as at 30 June 2020	12,807	1,813	4,132	42,845	61,597

4 Creditors & Accrued Expenses	2020	2019	2018
Westpac Credit Card	1,111	2,854	50
Creditors	56,335	75,959	68,228
Related parties creditors (Councils)	50,617	1,896	61,041
Total Creditors	108,063	80,709	129,319

5 Employee Costs Liability	2020	2019	2018
Accrued Wages & Salaries		5,000	4,825
PAYE	5,172	6,189	3,026
Leave Accrued	11,878	8,451	9,027
KIWI Saver	164	1,127	683
Total Employee Cost Liabilities	17,214	20,767	17,561

	2020	2019	2018
6 Retained Earnings			
Opening Balance as at 01 July	113,945	103,075	27,947
Non Deductable IRD Penalties	-158		
Retained earnings for the period ending 30 June	-14,123	10,870	75,128
Total Retained Earnings	99,664	113,945	103,075
7 Grants / Funding			
Councils	17,856	70,686	-383
Grants recognised as income	100,761	21,118	17,137
Ministry of Business and Innovation	489,202	116,975	27,000
Closing Balance	607,819	208,779	43,754
8 Employee Related Costs			
Salaries and wages	137,495	121,398	122,330
Employer Kiwi saver contributions	2,711	3,659	3,501
ACC levies	656	1,047	-61
Total Employee Related Costs	140,862	126,104	51,776
9 Trustee Expenses			
Honorarium	13,800	14,100	12,150
Expenses	4,132	4,691	1,890
NZCT Membership	2,500	2,500	2,500
Total Trustee Expenses	20,432	21,291	16,540

10 Related Party Disclosure

The Hauraki Rail Trail Charitable Trust is a Council Controlled Organisation of the Hauraki (HDC), Matamata-Piako (MPDC) and Thames-Coromandel (TCDC) District Councils.

Key Management Remuneration

The Chief Executive Officer of the Trust earned wages of \$138,689. (2019, \$125,057)

The total cost of Trustee Meeting Allowances of \$13,800. (2019, \$14,100)

Trustees

The Trust also reimbursed trustees for \$4,132 of expenditure. (2019, \$4,691)

Hauraki District Council

During the year HDC provided underwriting funding of \$120,070 (2019 \$126,774) as well as additional funding for proportional maintenance in total of \$165,935 as per the Funding Agreement.

At balance date the Trust owed HDC \$50,617 (2019, \$1,896) and HDC owed the Trust \$64,675. (2019 \$0).

Matamata-Piako District Council

During the year MPDC provided underwriting funding of \$120,070 (2019 \$126,774) as well as additional funding for proportional maintenance in total of \$23,647 as per the Funding Agreement.

At balance date MPDC owed the Trust \$0 (2019 \$612).

Thames-Coromandel District Council

During the year TCDC provided underwriting funding of \$120,070 (2019 \$126,774) as well as additional funding for proportional maintenance in total of \$41,383 as per the Funding Agreement.

At balance date TCDC owed the Trust \$0 (2019 \$ \$0).

11 Commitments

The Hauraki Rail Trail Charitable Trust has no capital or operating commitments as at 30 June 2020. (2019 \$0).

12 Contingent Liabilities

There are no contingent liabilities as at 30 June 2020, (2019 \$0).

13 Funding Agreement

The HDC, MPDC, and TCDC are party to a Trust deed which formed the Hauraki Rail Trail Charitable Trust (the Trust). The deed, signed on 2 March 2012, allows the Trust to own, operate, maintain, repair, develop and facilitate the use and enjoyment of a rail trail within the region.

This deed was reviewed and global changes made, adopted 26 February 2019. This supercedes the original Trust deed of 2 March 2012.

A Funding Agreement was signed between the three councils and the Trust in May 2018 which supercedes the Underwriting Agreement, signed by HDC, MPDC and the Trust of April 2013 and, the Memorandum of Understanding between HDC and TCDC of December 2012.

This Agreement allows for the following:

Strategic and overhead costs associated with operating the Trail are apportioned equally amongst the Settlor Councils; and

Proportional overhead costs are apportioned, where possible, based on the length of Hauraki Rail Trail within each Settlor Council boundary and

Proportional income and expenses in the statement of financial performance relate directly to trail maintenance.

14 Events after Balance Date

There are no significant events after balance date.