

### **The Hauraki Rail Trail Charitable Trust Annual Report FY2022**

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 16 September 2020
- Thames-Coromandel District Council 27 October 2020
- Matamata-Piako District Council 28 October 2020

The next review process is now due in 2023, next calendar year.

Audit New Zealand has completed its audit of the Trust's FY2021 accounts. This Report was delayed due to Audit New Zealand not completing their full audit of the FY2021 accounts until July 2022. This delay was directly attributable to the shortage of auditors due to COVID 19 restrictions.

The Audit Opinion had the following comments:

1. *Ensure that policies need to be reviewed in a timely manner.*  
The Trustees rectified this omission at the board meeting of May 2022. A policy review register has been added to the agenda at Appendix 16E, page 86) to ensure this omission does not recur. See section 4.1 of the Audit report.
2. *Interest Declaration Register*  
Audit NZ state there is a "possibility that transactions between the Trust and the undisclosed related parties could occur resulting in a conflict of interests not being appropriately managed." See section 4.2 of the Audit report.
3. *Confirmation of year end balances with three Councils.*  
Coombes Accountants have followed up with the Settlor Councils and added this to the audit schedule for future years. See section 4.3 of the Audit report.

The issues raised above are minor in the overall scheme of the audit. The Trust was complemented on the robustness of its accounting processes, management controls and ease that the Auditors could access complete information.

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**

<b>Task</b>	<b>Specific</b>	<b>Progress</b>
Strategic Partner development	<ol style="list-style-type: none"> <li>1. NZCT AGM</li> <li>2. National and Regional Cycle Trail workshops</li> <li>3. Wider collaboration with key industry partners</li> </ol>	<ul style="list-style-type: none"> <li>• Achieved</li> <li>• CEO board member of NZCT</li> </ul>
Brand review	<ol style="list-style-type: none"> <li>1. Brand development</li> <li>2. Brand guidelines</li> <li>3. Trademarking</li> </ol>	<ul style="list-style-type: none"> <li>• Branding in place with consist use of NZCT and HRT brands.</li> <li>• All brand assets are trademarked</li> </ul>
Develop a marketing and communications strategy	<ol style="list-style-type: none"> <li>1. General.</li> <li>2. Specific Events, i.e. Official Opening/track extension</li> </ol>	<ul style="list-style-type: none"> <li>• Major spend in FY2022 ongoing is on social media for promotions, advisories, updates.</li> </ul>
Identify business opportunities	<ol style="list-style-type: none"> <li>1. Support new business development</li> </ol>	<ul style="list-style-type: none"> <li>• Supporting council Econ Dev teams</li> <li>• Meetings with new service providers</li> <li>• Provision of statistics and research to support business concept development</li> </ul>
Support product development	<ol style="list-style-type: none"> <li>2. Support development of at least two commissionable Trade products</li> </ol>	<ol style="list-style-type: none"> <li>1. Working alongside Destination Coromandel - Gold Heritage product</li> <li>2. Shorebird Cycles</li> </ol>
Promote all legs of the Rail Trail	<ol style="list-style-type: none"> <li>1. Develop Trail Collateral</li> </ol>	<ul style="list-style-type: none"> <li>• Dedicated and managed Social Media Presence</li> <li>• Town Flags</li> <li>• Location maps/brochures/Deskmaps</li> <li>• AA Guide</li> <li>• Trail Towns Australian TV promotion</li> </ul>
Encourage events	<ol style="list-style-type: none"> <li>1. Destination Coromandel</li> <li>2. Hamilton-Waikato</li> <li>3. Website promotion</li> </ol>	<ul style="list-style-type: none"> <li>• Promotion on website</li> <li>• Support of Tour Aotearoa/Trail Trilogy/Xterra etc</li> </ul>
Communicate research data to Trail partners	<ol style="list-style-type: none"> <li>1. Official partner programme</li> <li>2. Website/social media channels</li> <li>3. Via newsletter</li> </ol>	<ul style="list-style-type: none"> <li>• Trust sends research outcomes to Official Partners periodically</li> </ul>
Produce a range of HRT specific retail product to support the development of the Rail Trail	<ol style="list-style-type: none"> <li>1. Marketing/Retail product development to sell through info centres and official partners/web</li> </ol>	<ul style="list-style-type: none"> <li>• Initial range developed, market testing summer 2023</li> </ul>
Official Partner Programme	<ol style="list-style-type: none"> <li>1. 30 Official Partners</li> </ol>	<ul style="list-style-type: none"> <li>• 100 Official Partners, the largest in the NZCT network</li> </ul>

## 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"> <li>1. Regularly review Trust meeting frequency</li> <li>2. Develop an action plan and report against it</li> </ol>	<ul style="list-style-type: none"> <li>• Quarterly meeting working well.</li> <li>• Annual review of work programme occurs in January each year</li> </ul>
Action Plan FY2022	<ol style="list-style-type: none"> <li>1. Success in raising significant investment</li> <li>2. Additional support of economic development opportunities alongside the trail, i.e. Historical Maritime Park, and activation of Kaiaua and Matamata business communities</li> <li>3. Progression of the Trail Enhancement Strategy</li> </ol>	<ol style="list-style-type: none"> <li>1. Emergency funding of \$300K for Waihi to Waikino section</li> <li>2. Trust Waikato \$37K</li> <li>3. MGR Funding successful</li> <li>4. Need investment into multi-agency ecology strategy to support enhancement strategy</li> </ol>
Maintenance of Trail documentation systems and processes	<ol style="list-style-type: none"> <li>1. Financial Controls and spending authorities.</li> <li>2. Fraud and Sensitive Expenditure</li> <li>3. Operational</li> <li>4. Emergency Plans</li> <li>5. Asset Management Plan.</li> </ol>	<ul style="list-style-type: none"> <li>• Financial/Sensitive Expenditure/Fraud policy/procedures in place</li> <li>• Health and Safety and Emergency plans being implemented</li> <li>• Asset Management Plan active</li> </ul>
Major project management	<ol style="list-style-type: none"> <li>1. Develop specific plans and tasks with delegated RASCI for major project tasks</li> </ol>	<ul style="list-style-type: none"> <li>• Ongoing. TAMM and P2K nearing completion. Negotiation with MBIE underway</li> </ul>
Prepare and manage annual plans and budgets	<ol style="list-style-type: none"> <li>1. Prepare annual plans and budgets</li> <li>2. Incorporate feedback from councils</li> </ol>	<ul style="list-style-type: none"> <li>• one-year budget to FY2022 delivered to settlor councils within Asset Management Plan. Review of FY2024 required.</li> </ul>
Prepare and manage Long Term Plans and budgets	<ol style="list-style-type: none"> <li>1. Prepare Long Term Plans and budgets</li> </ol>	<ul style="list-style-type: none"> <li>• 10-year budgets presented in Asset Management Plan to guide LTP process</li> </ul>
Information Management	<ol style="list-style-type: none"> <li>1. Establish and maintain information management systems</li> <li>2. Ensure security of confidential documentation.</li> <li>3. Ensure all electronic documentation is regularly backed-up and secure</li> </ol>	<ul style="list-style-type: none"> <li>• Moved to online cloud-based system</li> <li>• Restricted access to confidential information</li> </ul>
Reporting	<p>Meet all reporting requirements for</p> <ol style="list-style-type: none"> <li>1. BDO Financial Audit</li> <li>2. Settlor Councils</li> <li>3. Charities Office</li> <li>3. NZCT</li> </ol>	<ul style="list-style-type: none"> <li>• FY2022 completed after Trust AGM.</li> <li>• Charities Office timeframe met</li> </ul>
Establish an ongoing review process for Trail documentation	<ol style="list-style-type: none"> <li>1. Identify list of key documentation including <ol style="list-style-type: none"> <li>a. Trust Deed</li> <li>b. Financial documents</li> <li>c. Management Agreement(s)</li> <li>d. Underwriting Agreement</li> <li>e. CCO Exemptions</li> <li>f. Asset Register</li> <li>g. Asset Maintenance</li> <li>h. HSE and Emergency Plans</li> </ol> </li> </ol>	<ul style="list-style-type: none"> <li>• Ongoing</li> <li>• Trust Deed reviewed and updated in 2018</li> <li>• Accountancy services working well</li> <li>• Management agreement signed</li> <li>• CCO exemptions due 2023</li> <li>• Asset Management Plan in play</li> <li>• Work on RAMMs Asset</li> </ul>

	i. NZCT	Management software underway <ul style="list-style-type: none"> <li>• All major assets recorded and GPSd ongoing</li> <li>• Trail maintenance sitting with HDC</li> <li>• HSE and Emergency Plans completed</li> <li>• NZCT compliance current</li> </ul>
Recognition of Success	1. Identify items at Trust and Stakeholder meetings and communicate accordingly	<ul style="list-style-type: none"> <li>• Ongoing</li> </ul>

### 3. 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	1. The Rail Trail is maintained to grade one standard by regular inspections of the trail	<ul style="list-style-type: none"> <li>• Trail surface is deteriorating. Trust working on funding mechanisms to support settlor council investments</li> </ul>
	2. Develop condition assessment criteria and methodology	
	3. Implement and maintain a Health and Safety Plan for routine maintenance work (HSE)	<ul style="list-style-type: none"> <li>• HSE reviewed and being implemented</li> </ul>
	4. Implement and maintain an Asset Management plan for the Rail Trail assets	<ul style="list-style-type: none"> <li>• Asset Management Plan completed and in use</li> </ul>
	5. Prepare annual and forward routine maintenance budgets	<ul style="list-style-type: none"> <li>• Work beside HDC to prepare Annual maintenance plan and budgets</li> </ul>
	6. Undertake track grading inspections with NZCT as and when required	<ul style="list-style-type: none"> <li>• NZCT Independent Audit planned for December 2022</li> </ul>
	7. Manage and maintain the Kiwirail lease in accordance with the requirements of the lease agreement dated April 2011 and any updates or amendments thereof	<ul style="list-style-type: none"> <li>• Ongoing</li> </ul>
	8. Manage and maintain all leases with private landowners in accordance with the requirements of each individual lease agreement	<ul style="list-style-type: none"> <li>• Ongoing</li> </ul>
	9. Maintain the resource consents for the Rail Trail operation and adhere to the resource consent requirements regarding the physical assets	<ul style="list-style-type: none"> <li>• Ongoing</li> </ul>
	10. Communicate with adjacent landowners as and when required in relation to routine maintenance works	<ul style="list-style-type: none"> <li>• Ongoing</li> </ul>
	11. Managing the Rail Trail during weather events. This includes closing the Rail Trail as required and	<ul style="list-style-type: none"> <li>• Ongoing and more often with climate change impacts</li> </ul>
	12. reopening following inspections and any routine emergency repair works required to make the track safe	
	13. Responding to any service requests relating to track safety or routine maintenance	<ul style="list-style-type: none"> <li>• SLA agreement outlining response times and work priorities in place</li> </ul>

Implement the signage strategy over the entire length of the Rail Trail	<ol style="list-style-type: none"> <li>1. Ensure signage is 100% consistent signage strategy</li> <li>2. Raise funds for implementation of signage</li> </ol>	<ul style="list-style-type: none"> <li>• Ongoing investment needed, but progress being made</li> </ul>
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### 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"> <li>1. Monitor Social media feedback and report known issues to the Service Department</li> <li>2. Join the inspection rides of the Rail Trail</li> <li>3. Take the lead on funding applications to the MGR Fund</li> </ol>	<ul style="list-style-type: none"> <li>• Dedicated contractor managing social media presence</li> <li>• Attending inspection rides</li> <li>• Regular meeting with Project management team (weekly)</li> <li>• MGR funding successful to date</li> </ul>
NZCT Membership	<ol style="list-style-type: none"> <li>1. Ensure all reporting and membership requirements are met: <ol style="list-style-type: none"> <li>a. Reporting on:</li> <li>b. -visitor numbers</li> <li>c. -regular newsletters</li> <li>d. -attendance at NZCT events</li> </ol> </li> <li>2. Hosting NZCT personnel as required</li> </ol>	<ul style="list-style-type: none"> <li>• Ongoing and up to date</li> <li>• Regular newsletter developed and going out quarterly</li> <li>• Attendance at NZCT conference and AGM</li> <li>• GET Smart Survey supported</li> </ul>

### 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"> <li>1. Develop a communications plan in conjunction with the Settlor council staff</li> <li>2. Create portals on the website for central document collation</li> </ol>	<ul style="list-style-type: none"> <li>• Ongoing</li> <li>• Regular meetings of Hauraki Rail Trail Advisory Group minuted and active</li> </ul>
2. Monthly stakeholder newsletters	<ol style="list-style-type: none"> <li>1. Mailchimp on website, and regular mail-outs to key partners</li> </ol>	<ul style="list-style-type: none"> <li>• Using Mailchimp database for comms</li> <li>• Regular comms to Official Partners on all issues relating to trail status, workshops etc</li> </ul>
3. Manage updates (ie track closures)	<ol style="list-style-type: none"> <li>1. Updates through social media and other partners</li> </ol>	<ul style="list-style-type: none"> <li>• Ongoing and current via website /NZCT/other partners</li> <li>• Support business with shuttle services where needed</li> </ul>

4. Maintain the official Rail Trail website	<ol style="list-style-type: none"> <li>1. Keep information current</li> <li>2. Ensure platform is fit for purpose</li> </ol>	<ul style="list-style-type: none"> <li>• Needs an upgrade</li> <li>• Regular blogs/newsletters/trail updates</li> </ul>
5. HRT Advisory Group meetings	<ol style="list-style-type: none"> <li>1. Attendance and support</li> </ol>	<ul style="list-style-type: none"> <li>• Regular attendance at bi-monthly meetings</li> <li>• CEO chairs these meetings</li> </ul>
6. Chairperson to meet with Mayor/Council on a six-monthly basis	<ol style="list-style-type: none"> <li>1. Strategic discussion on progress and future direction</li> </ol>	<ul style="list-style-type: none"> <li>• Needs to be reinstated with all councils</li> </ul>
7. Regular progress report to CEO's of councils after each board meeting	<ol style="list-style-type: none"> <li>1. Provide quarterly report</li> </ol>	<ul style="list-style-type: none"> <li>• Minutes sent though upon signing by Chair</li> </ul>
8. Continue to build iwi relationships	<ol style="list-style-type: none"> <li>1. Ensure kaupapa Māori protocols are respected and relationships are fostered</li> </ol>	<ul style="list-style-type: none"> <li>• Active iwi members on governance board</li> </ul>
9. Stakeholder database	<ol style="list-style-type: none"> <li>1. Compile and maintain for variety of purpose, ie media, leaseholders, businesses, etc</li> </ol>	<ul style="list-style-type: none"> <li>• Increased 28% to 4500 registrations over last year</li> </ul>
10. Maintain relationship with Department of Conservation	<ol style="list-style-type: none"> <li>1. Attendance at DoC initiatives and community meetings</li> <li>2. Maintain reporting on funding commitments</li> </ol>	<ul style="list-style-type: none"> <li>• Regular meetings to be reinstated with new manager. First held.</li> <li>• DoC Reporting current</li> </ul>
11. Develop and maintain relationship with NZCT network partners and MBIE, NZTA, WRC	<ol style="list-style-type: none"> <li>1. Attendance at NZCT partner workshops where appropriate</li> <li>2. Support of others in the network</li> </ol>	<ul style="list-style-type: none"> <li>• Ongoing and current</li> <li>• Support of other councils who have responsibility for Great Rides, particularly around governance</li> </ul>
12. Community group relationships	<ol style="list-style-type: none"> <li>1. Speaker at group meetings</li> <li>2. Support funding initiatives</li> <li>3. Leverage from initiatives where possible</li> </ol>	<ul style="list-style-type: none"> <li>• Ongoing and active</li> <li>• Active leveraging evident in MGR applications</li> </ul>
13. Develop and enhance relationship with local information centres	<ol style="list-style-type: none"> <li>1. Use information network as referral point for booking enquiries</li> </ol>	<ul style="list-style-type: none"> <li>• Active, and highlighted on website as main booking source</li> </ul>
14. Enhance relationship with Regional Tourism Organisations (Destination Hauraki Coromandel and Hamilton/Waikato Tourism	<ol style="list-style-type: none"> <li>1. Include in HRT advisory group</li> <li>2. Support product development</li> </ol>	<ul style="list-style-type: none"> <li>• Active and strong relationships in place</li> <li>• RTO's active members of Advisory Group</li> <li>• Joint Ventures</li> <li>• Support funding applications when asked</li> </ul>

5. Funding

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**Key Outcome:**

The Trust generates over \$50,000 of cash or in-kind product/services per annum

**Specific Actions:**

<b>Task</b>	<b>Specific</b>	<b>Outcomes</b>
1. Corporate Sponsorship	<ul style="list-style-type: none"><li>• Identify potential corporate sponsors</li><li>• Develop sponsorship proposals that match client profiles</li></ul>	<ul style="list-style-type: none"><li>• MGR and other grants \$481K</li><li>• Official Partners \$33K</li></ul>
2. Establish strong credibility and professionalism that attracts support from financial funding partners	<ul style="list-style-type: none"><li>• Manage strong brand image and ensure compliance</li></ul>	<ul style="list-style-type: none"><li>• Consistency in brand ongoing</li><li>• Consistency in professionalism achieved</li></ul>
3. Leverage off economies of scale in purchasing products and services that are common across the NZCT network	<ul style="list-style-type: none"><li>• Identify commonality of products within the network</li></ul>	<ul style="list-style-type: none"><li>• Cost savings in Insurance achieved</li></ul>

**THE HAURAKI RAIL TRAIL CHARITABLE TRUST**  
**Performance Report for the year ended 30 June 2022**

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.



## ENTITY INFORMATION FOR THE YEAR ENDED 30 JUNE 2022

### 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 2020. The three-year review process is due in FY2023.

### 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 District Council (TCDC), (the councils) and three Iwi representatives appointed from Iwi that have Mana Whenua status over the route of the Hauraki Rail Trail.

### 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 20th December 2022.



Chair: Wati Ngamane

**STATEMENT OF FINANCIAL POSITION**  
As at 30 June 2022

		Actual 2022	Actual 2021
		\$	\$
<b>ASSETS</b>	<b>Note</b>		
<b>Current Assets</b>			
Bank Accounts & Cash	1	238,259	54,774
Debtors	2	109,426	212,956
Prepayments			
GST Receivable		15,204	15670
<b>Total Current Assets</b>		<b>362,889</b>	<b>283,400</b>
<b>Non- Current Assets</b>			
Vehicle, Furniture, Equipment and Signage	3	40,585	50,813
<b>Total Non-Current Assets</b>		<b>40,585</b>	<b>50,813</b>
<b>TOTAL ASSETS</b>		<b>403,474</b>	<b>334,213</b>
<b>LESS</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Creditors & Accrued Expenses	4	167,128	256,007
Income in Advance		168,370	
Employee Costs Liability	5	17,083	21,617
GST Liability			
<b>Total Current Liabilities</b>		<b>352,581</b>	<b>277,624</b>
<b>NET ASSETS</b>		<b>50,893</b>	<b>56,589</b>
<b>Represented by:</b>			
<b>EQUITY</b>			
Retained Earnings	6	50,893	56,589
<b>TOTAL EQUITY</b>		<b>50,893</b>	<b>56,589</b>

The accompanying notes form part of these statements.



**STATEMENT OF FINANCIAL PERFORMANCE**  
**For the year ended 30 June 2022**

	Note	Actual 2022 \$	Budget 2022 \$	Actual 2021 \$
<b>REVENUE</b>				
Underwriting - Strategic		404,704	404,704	367,008
Underwriting - Proportional		210,943	266,965	230,064
Grants / Funding	7	481,342	546,500	376,395
Covid Payment		2,000		
Merchant Sales		232		17
Official Partner Programme		32,867	40,000	33,040
Leases (Sub Leases)		1,400	1,400	1,400
Interest Earned		-	-	-
<b>TOTAL REVENUE</b>		<b>1,133,488</b>	<b>1,259,569</b>	<b>1,007,924</b>
<b>EXPENSES</b>				
Audit Fees for the Financial Statement audit		18,991	17,424	18,957
Administration		52,107	76,448	67,274
Depreciation		10,228	10,000	12,279
Employee Related Costs	8	201,408	201,679	192,792
Trustee Expenses	9	14,167	17,000	18,496
Travel Expenses		17,509	19,000	19,535
Fees		720	720	720
Other Trail Operations		38,614	61,626	53,663
Professional Services		6,500	6,500	5,400
Marketing and Website Development		72,645	73,000	75,038
Stakeholder engagement		3,510	4,500	4,549
Grant Expenditure		491,842	500,000	352,232
Proportional Expenses		210,943	266,965	230,064
<b>TOTAL EXPENSES</b>		<b>1,139,184</b>	<b>1,254,862</b>	<b>1,050,999</b>
<b>EXCESS EXPENSES OVER REVENUE FOR YEAR</b>		<b>-5,696</b>	<b>4,707</b>	<b>-43,075</b>

## STATEMENT OF CASH FLOWS

Note	Actual 2022 \$	Actual 2021 \$
<b>Cash flows from Operating Activities</b>		
Receipt of council funding	772,172	499,020
Receipt of other grants and donations	546,970	376,395
Receipts from other revenue	86,246	-12,897
Payments to suppliers and employees	-1,222,369	-886,373
GST (net)	466	-11,387
<i>Net cash flow from operating activities</i>	183,485	-35,242
<b>Cash flows from investing and financing activities</b>		
Payments to acquire property, plant and equipment		-1,495
<i>Net cash flow from investing and financing activities</i>		-1,495
<b>Net Increase / (decrease) in cash for the year</b>	<b>183,485</b>	<b>-36,737</b>
Add opening bank accounts and cash, including bank overdraft	54,774	91,511
<b>Closing bank accounts and cash, including bank overdraft</b>	<b>238,259</b>	<b>54,774</b>



## STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2022

### 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 2022.

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 2022

<b>1 Bank Accounts &amp; Cash</b>	<b>2022</b>	<b>2021</b>
Westpac cheque account	205,989	34,765
Westpac savings account	32,270	20,009
<b>Total Bank Accounts &amp; Cash</b>	<b>238,259</b>	<b>54,774</b>

**Net bank accounts and cash for the purposes of the Statement**    **238,259**    **54,774**

<b>2 Debtors</b>	<b>2022</b>	<b>2021</b>
Debtors	483	50,229
Related parties debtors (Councils)	108,943	162,727
<b>Total Debtors</b>	<b>109,426</b>	<b>212,956</b>

**3 Vehicle, Furniture, Equipment and Signage**

	Vehicle	Furniture	Equipment	Signage	Total
Carrying amount as at 1 July 2020	12,807	1,813	4,132	42,845	61,597
Additions			1,495		1,495
Less Depreciation Expense	2,738	1,208	2,878	5,455	12,279
Carrying amount as at 30 June 2021	10,069	605	2,749	37,390	50,813
Carrying amount as at 1 July 2021	10,069	605	2,749	37,390	50,813
Additions					0
Less Depreciation Expense	2,737	605	1,431	5,455	10,228
<b>Carrying amount as at 30 June 2022</b>	<b>7,332</b>	<b>0</b>	<b>1,318</b>	<b>31,935</b>	<b>40,585</b>

<b>4 Creditors &amp; Accrued Expenses</b>	<b>2022</b>	<b>2021</b>
Westpac Credit Card	2,562	1,573
Creditors	53,633	61,787
Related parties creditors (Councils)	110,933	192,647
<b>Total Creditors</b>	<b>167,128</b>	<b>256,007</b>

<b>5 Employee Costs Liability</b>	<b>2022</b>	<b>2021</b>
Accrued Wages & Salaries		
PAYE	4,110	7,597
Leave Accrued	12,202	12,666
KIWI Saver	771	1,354
<b>Total Employee Cost Liabilities</b>	<b>17,083</b>	<b>21,617</b>

<b>6 Retained Earnings</b>	<b>2022</b>	<b>2021</b>
Opening Balance as at 01 July	56,589	99,664
Non Deductable IRD Penalties	0	0
Retained earnings for the period ending 30 June	-5,696	-43,075
<b>Total Retained Earnings</b>	<b>50,893</b>	<b>56,589</b>

<b>7 Grants / Funding</b>	<b>2022</b>	<b>2021</b>
Councils	102,742	79,356
Grants recognised as income	43,465	33,608
Ministry of Business and Innovation	335,135	263,431
<b>Closing Balance</b>	<b>481,342</b>	<b>376,395</b>

<b>8 Employee Related Costs</b>	<b>2022</b>	<b>2021</b>
Salaries and wages	194,599	185,695
Employer Kiwi saver contributions	5,852	5,547
ACC levies	957	1,550
<b>Total Employee Related Costs</b>	<b>201,408</b>	<b>192,792</b>

<b>9 Trustee Expenses</b>	<b>2022</b>	<b>2021</b>
Honorarium	11,000	13,200
Expenses	667	2,796
NZCT Membership	2,500	2,500
<b>Total Trustee Expenses</b>	<b>14,167</b>	<b>18,496</b>

#### **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

#### **Key Management Remuneration**

The Chief Executive Officer of the Trust earned wages of \$144,422. (2021, \$143,982)  
The total cost of Trustee Meeting Allowances of \$11,000. (2021, \$13,200)

#### **Trustees**

The Trust also reimbursed trustees for \$667 of expenditure. (2021, \$2,796)

#### **Hauraki District Council**

During the year HDC provided underwriting funding of \$134,901 (2021 \$122,336) as well as additional funding for proportional maintenance in total of \$149,257 as per the Funding Agreement.

At balance date the Trust owed HDC \$110,933 (2021, \$173,843) and HDC owed the Trust \$74,825.

(2021 \$137,140).

#### **Matamata-Piako District Council**

During the year MPDC provided underwriting funding of \$134,901 (2021 \$122,336) as well as additional funding for proportional maintenance in total of \$23,398 as per the Funding Agreement.

At balance date the Trust owed MPDC \$0 (2021 \$18,804) and MPDC owed the Trust \$17,182 (2021 \$0).

#### **Thames-Coromandel District Council**

During the year TCDC provided underwriting funding of \$134,901 (2021 \$122,336) as well as additional funding for proportional maintenance in total of \$38,288 as per the Funding Agreement.

At balance date TCDC owed the Trust \$16,910 (2021 \$25,587).



### **11 Commitments**

The Hauraki Rail Trail Charitable Trust has no capital or operating commitments as at 30 June 2022.

(2021 \$0).

### **12 Contingent Liabilities**

There are no contingent liabilities as at 30 June 2022, (2021 \$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 COVID 19**

The resurgence support payment application was submitted by Coombe and Associates on behalf of the Trust on the 1st September 2021. The Trust does not anticipate any COVID-19 related changes in income levels from the Settlor Councils over the next financial year.

### **15 Events after Balance Date**

There are no significant events after balance date.

