

HOROWHENUA NEW ZEALAND TRUST

ANNUAL REPORT 2021 – 2022



Horowhenua New Zealand Trust
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HNZT ANNUAL REPORT 2022

Introduction from the Chair

Welcome to the 2022 Annual Report from the Horowhenua New Zealand Trust.

Our fourth year in operation has seen the Trust make positive progress towards our mission of improving the economic and social wellbeing of the people of Horowhenua.

We're proud to announce several achievements this year. These include:

- The first financial distributions to worthy local organisations in our district
- A continued refinement of our strategy
- The transfer of commercial contracts to The Horowhenua Company Limited, who continue to operate and lead the contracts for Economic Development services with HDC and Employment Pathways with MBIE
- The completion of the Horowhenua Business Park

I am also pleased to announce the appointment of our new Trustee, Te-Aroha Jennings, following the retirement of one of the founding Trustees, Evan Kroll. Our grateful thanks for your dedication and service Evan, and we wish you all the best for the future.

As we reflect on the past year, I'd like to personally thank the current and previous elected members, and staff, of the Horowhenua District Council for their continued support. Thanks also to our key service providers: CS Law, Morrison Mallett and Baker Tilley Staples Rodway. Finally, I'd like to thank our Trustees and wider team for their continued dedication to the Trust and helping us to achieve these excellent outcomes.

Yours faithfully,



Antony Young

Chair of The Horowhenua New Zealand Trust

Where we've come from

The Horowhenua New Zealand Trust was established in 2018 by members of the business community that saw the opportunity for an independent organisation that could bridge the gap between community, Council, and business.

The Trustees set about focusing resources on the areas that they believed would make the biggest difference to Horowhenua. Within each of these areas, we have worked alongside others to find opportunities and support solutions by bringing together the right people, with the right resources and partnering with the right enterprises.

We believe that the opportunities for the Trust to make a difference are real, and we are absolutely committed to moving Horowhenua forward.

In 2019, the Horowhenua New Zealand Trust established The Horowhenua Company Limited (as a 100% subsidiary) to operate as a commercial entity to:

- provide economic development services to the district
- identify and manage community and property development projects that will make a difference; and
- act as the operating arm of the Horowhenua New Zealand Trust.

Our Trustees

Our Trustees have been integral in supporting the Trust to achieve key milestones in its fourth financial year. As recognised members of the Horowhenua community, we appreciate the vast voluntary contribution they have made in moving the Horowhenua New Zealand Trust forward.

We would like to acknowledge Evan Kroll's contribution to the Trust. He was a founding Trustee and was instrumental in helping both establish the Trust, and early development plans for the Horowhenua Business Park in Roe Street.

In March, we were delighted to welcome Te-Aroha as a Trustee. She has been fulfilling a role as Trust Secretary since October 2020 and continues that role alongside her Trustee responsibilities.

Our Trustees are:



Antony Young (Chair)

Antony has spent 20 years in New York, London and China advising global companies on branding, and as CEO of several media and marketing firms. He returned to New Zealand with his family and settled in Horowhenua in 2016.

Antony is extremely passionate about the region and its opportunities. He is on the Board of Business Kāpiti Horowhenua that oversees the Electra Business Awards and he also served as Chair of the Horowhenua Taste Trail Trust 2017 – 2019.



Justine Street

Justine (BBS FCA) is a Fellow Chartered Accountant and a Director of Colbert Cooper Limited, a chartered accountancy practice located in Levin, which provides business, accountancy, and tax services to clients throughout the region and across New Zealand. She is currently Deputy Chair of Horowhenua Learning Centre, Trustee of House of Science and Trustee of Foxton Area Community Medical Trust.



Larry Ellison

Raised in Raumati and now living in Foxton Beach, Larry Ellison and his wife Jane have been a part of the Horowhenua community for years. The Ellison's have owned service stations throughout Horowhenua and in 2000 started Rural Fuel, an award-winning business that distributes fuel to farmers around the lower North Island. Larry loves all things agriculture and is involved in dairy farms throughout the region, as well as several start-up businesses and agritech companies, including Levno, BioLumic Ltd and Zeddy Ltd.



Ron Turk

More than 50 years ago, Ron Turk and his family moved to Foxton, and founded their successful poultry business, Turk's Poultry. Since then, Ron has helped transform a small egg business into a prosperous company employing almost 280 people - as well as raising three children. A strong believer in ethical and sustainable farming practices, Turks has recently been accredited as a Conscious Consumers supplier.



Sarah Ryan

Sarah Ryan is a former dean and teacher at Waiopēhu College, and currently works for Sport Waikato in a wellbeing pilot for SportNZ and Waikato DHB. This role sees Sarah looking into the impact of wellbeing on our tamariki and the issues they are facing in today's ever-changing society. Sarah is extremely passionate about the potential that can be unlocked in young people and is keen to unlock the potential of the wider Horowhenua community in her role as Trustee. Sarah has roots in Horowhenua, and recently relocated to Hamilton with her husband and five year old son.



Te-Aroha Jennings

Originally attracted to the Horowhenua for the relaxed lifestyle, Te-Aroha and her husband have truly made the district home and see it as the ideal place to start and raise a family. With over 15 years' experience as a lawyer in the private and public sector, Te-Aroha has more recently been providing policy and regulatory compliance advice and corporate secretarial services to clients as co-director of Jennings Consulting Ltd. Te-Aroha brings her experience as both an advisor to, and member of, executive leadership teams to the Trust.

How we are structured

The Horowhenua New Zealand Trust is an independent not-for-profit trust that is governed by six Trustees, who act in a voluntary capacity. As a Trust, we need to be financially self-sustainable, so we can make the difference that Horowhenua needs long term.

To support this ambition, like many other trusts in New Zealand, the Horowhenua New Zealand Trust established an operating company. This company, **The Horowhenua Company Limited**, exists to make our Trust financially sustainable by operating as our commercial arm.

In 2020, The Horowhenua Company Limited entered into a joint venture with Electra Limited to establish **Horowhenua Developments Limited**, a company that increases investment opportunities for business in Horowhenua.

The activities of The Horowhenua Company Limited and Horowhenua Developments Limited provide the Trust with a sustainable and reliable source of income while adding value to our local economy, providing dividends that can be distributed or reinvested within the community.

The Horowhenua Company Limited

As the sole shareholder for The Horowhenua Company Limited, it is important that we reflect on the activities of the Company over the last financial year.

The Horowhenua Company Limited now has five employees - Catriona McKay (CEO), Melissa Hanson (Property Development Manager), Fraser Daysh (Workforce Development Advisor) – and more recently, Hendrix Warren (Business Growth Manager) and Rachel Mason (Office Administrator).

The Company also draws on specialist skills and service providers to deliver other key business functions, and provide additional capacity when it's required. We would like to acknowledge the work of Jill Chisnall (Senior Project Manager), Debbie Baker (Marketing & Communications Lead), and Jenny Warren (Project Stakeholder & Community Engagement Lead) and the Company's solicitors C.S. Law, and accountants Baker Tilley Staples Rodway, for their work over the past year. The Company is governed by three Directors; Malcolm Alexander, Cam Lewis and Ron Turk.

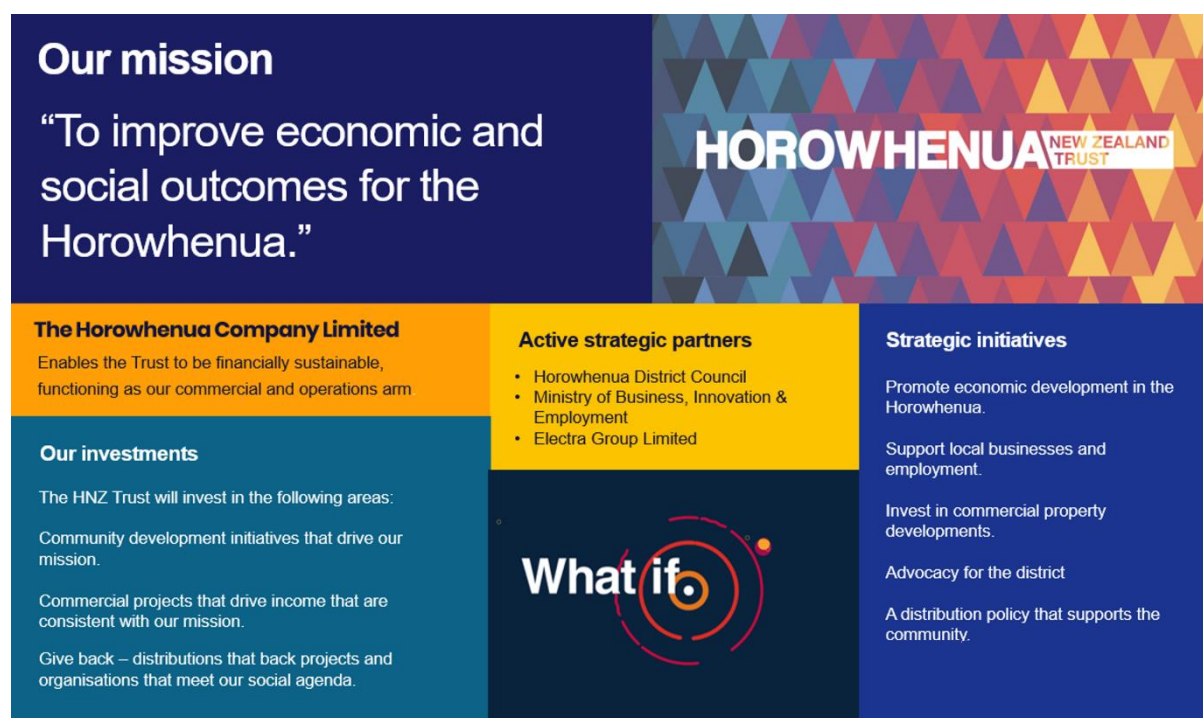
The Horowhenua Company Limited holds contracts with the Ministry of Business, Innovation and Employment (MBIE) for the delivery of Get-Go; Horowhenua District Council for the delivery of Economic Development services and is the majority shareholder in Horowhenua Developments Limited.

Horowhenua Developments Limited

Horowhenua Developments Limited is a joint venture between The Horowhenua Company Limited and Electra Limited. The Horowhenua Company holds 75% of the shares in Horowhenua Developments Limited, which is governed by three directors: Malcolm Alexander, Neil Simmonds and Justine Street. Horowhenua Developments Limited undertakes commercial and property development projects for the benefit of its ultimate shareholders – the Horowhenua New Zealand Trust and the Electra Trust.

Our achievements

Trust strategy



Trust Distributions

In the 2022 financial year, the Horowhenua New Zealand Trust earned dividends from The Horowhenua Company Limited and were able to make several notable distributions back to the community. The Trustees approved grants to the following organisations:

Hope Kete

Hope Kete operates a food bank in Levin, based out of the Hope Church premises on Kent Street. The operation was set up during the first COVID-19 lockdown. A crew of volunteers collect food and distribute it – no questions, no judgement. Right now they feed between 80 – 130 families a week and hope to expand further.

Hope Kete has built their operation from scratch. They are not only distributing food but reducing waste by distributing food that is close to expiry, and also leftovers from growers and producers. The organisation collects the food and provides on-the-ground resources to distribute it.

The Horowhenua New Zealand Trust was pleased to be able to contribute to the purchase of a walk-in freezer to store food and other necessary supplies.

Wahine Toa

Wahine Toa have been running a programme that aims to empower women affected by family harm. Founded by two local Horowhenua police constables, Fiona Read and Liz Woodley, in 2016, the organisation hosts a full weekend where a handful of participants are encouraged to challenge themselves to push past their own personal boundaries. About 10-12 participants are selected each year to attend a series of workshops, inspirational talks and boot camp that stretches them both physically and mentally.

Participants are fully supported by four instructors made up of police, social workers, and selected members of the community. This is then followed up with a “pamper day” where volunteers from the community give up their time to do hair, makeup, and nails for participants, who are then taken out to dinner to celebrate.

This programme is about empowering women who rarely get a break. The Horowhenua New Zealand Trust was delighted to be able to provide funding to cover out of pocket costs for five years.

Mayoral Relief Fund

At 6.30am on Friday 20th May 2022, Levin was hit by a tornado that caused havoc, taking down trees, impacting power lines and taking off roofs. Over a hundred houses, properties, vehicles, and businesses that were in the path of the tornado suffered damage. A Mayoral Relief Fund was established to support those affected that were not covered by insurance. The Horowhenua New Zealand Trust was delighted to be able to make a contribution of \$50,000 to that fund.

Our Role in Economic and Workforce Development

Over the last financial year, The Trust continued to demonstrate the benefits of economic development services being provided by an independent body, led by community and business leaders.

From October 2021, Council unanimously agreed to award the contract for the delivery of economic development services to The Horowhenua Company Limited, and the funding agreement with the Ministry of Business, Innovation & Employment was transferred to The Horowhenua Company Limited. This enables the Trust to take a stronger governance role, while allowing the Company to take responsibility for contractual delivery.

Through the Company, the Trust provides a platform to promote business investment in the district. This includes business advice, workshop engagements, advocacy, and networking events on behalf and for the Horowhenua business community. Through the Electra sponsored Business After 5 events, we provide inspiration and promote innovative thinking by bringing keynote speakers to the district and celebrating Horowhenua's own success stories. We have recently established a Women in Business lunch series, which connects business owners for lunch meetings, idea sharing and guest speakers which has been extremely well attended. We are actively connecting business owners, expertise services, agencies, and stakeholders together.

We continue to bring a greater focus on economic opportunities and issues by supplying economic data analysis and intelligence to enable businesses to make informed decisions about growth.

The Get-Go programme continues to connect local job seekers with local employment opportunities. Over the past year, Get-Go has worked with all three local colleges in Horowhenua to develop and implement a work ready programme for young people while they are at school, to provide them more information about the pathways to work, and the confidence to join the workforce.

Horowhenua Developments Limited

Over the past year we have seen a significant return on investment for the development of the Horowhenua Business Park. Horowhenua Developments Limited is now identifying further opportunities for development and investment for the people of Horowhenua.

FINANCIALS

The key policies of the Trust in respect of finance may be summarised as follows:

1. They comply with the relevant financial legislation and meet all statutory requirements. The Trust's audit provides an independent opinion verifying that this is the case.
2. To comply with the requirements of the Trust Deed, most notably to finance its activities on a sustainable but entirely not-for-profit basis. This was achieved.
3. To operate the Trust and its entities on a prudent basis designed to manage risk, conserve resources (both operating and capital) and produce outcomes as efficiently as possible. This has been achieved.

Financial Statements

Horowhenua New Zealand Trust
For the year ended 30 June 2022

Prepared by Baker Tilly Staples Rodway Tauranga Limited

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Directory

Horowhenua New Zealand Trust For the year ended 30 June 2022

Nature of Business

Social and Economic Development

Trust Formation Date

31 May 2018

Incorporation Number

2705851

IRD Number

126-332-769

Settlor

Ronald Harry Parkin

Trustees

Antony Young
Sarah Ryan
Ronald Turk
Te Aroha Jennings
Larry Ellison
Justine Street

Beneficiaries

The community of the Horowhenua district.

Final Distribution Date

The Trust may be wound up voluntarily by unanimous resolution of the Trustees.

Chartered Accountant

Baker Tilly Staples Rodway Tauranga Limited
Chartered Accountants
Level 1, 247 Cameron Rd
TAURANGA

Bankers

Bank of New Zealand

Solicitors

CS Law

Statement of Profit or Loss

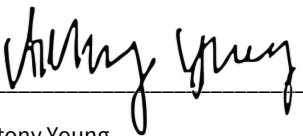
Horowhenua New Zealand Trust For the year ended 30 June 2022

	2022	2021
Income		
Economic Development, Monitoring and Information Provision Services	162,500	711,325
Pathways Income	75,000	298,830
Total Income	237,500	1,010,155
Other Income		
Dividends Received	149,254	149,254
Interest Received	407	2
Total Other Income	149,661	149,255
Expenses		
Accountancy Fees	8,211	7,679
AGM and Annual Report Costs	10,768	-
Audit Fee	6,265	6,160
Bank Fees & Charges	17	8
Entertainment - Deductible	169	-
Entertainment - Non Deductible	194	-
General Expenses	-	299
Insurance	2,352	2,245
Legal Fees - Deductible	8,578	8,380
Legal Fees - Non Deductible	-	12,769
Pathways Expenditure	75,000	298,830
Secretarial Services	9,666	4,175
Service Fees	104,200	653,825
Travel Expenses	586	-
Total Expenses	226,006	994,369
Profit (Loss) before Taxation and Distributions	161,155	165,041
Taxation		
Taxation for the Year	53,245	58,677
Total Taxation	53,245	58,677
Profit (Loss) after Taxation and before Distributions	107,910	106,364
Distributions		
Hope Kete	14,000	-
Horowhenua Abuse Liaison Team	5,500	-
Mayoral Relief Fund	50,000	-
Total Distributions	69,500	-
Profit (Loss) after Taxation and Distributions	38,410	106,364

Balance Sheet

Horowhenua New Zealand Trust As at 30 June 2022

	30 JUN 2022	30 JUN 2021
Assets		
Current Assets		
BNZ Cheque Account	24,355	39,926
BNZ Treasury Call Account	110,992	100,085
GST Receivable	684	25,767
Income Tax Receivable	956	-
Total Current Assets	136,985	165,779
Non-Current Assets		
Shares - The Horowhenua Company Ltd (100)	100	100
Total Non-Current Assets	100	100
Total Assets	137,085	165,879
Liabilities		
Current Liabilities		
Accounts Payable	2,409	66,178
Accruals	5,990	-
Income Tax Payable	-	9,424
Total Current Liabilities	8,399	75,601
Total Liabilities	8,399	75,601
Net Assets	128,687	90,277
Equity		
Trust Capital		
Retained Earnings	128,687	90,277
Total Trust Capital	128,687	90,277
Total Equity	128,687	90,277



Antony Young

9 November 2022 _____ Date



Ronald Turk

9 November 2022 _____ Date

Statement of Changes in Equity

Horowhenua New Zealand Trust For the year ended 30 June 2022

	2022	2021
Trust Capital		
Opening Balance	90,277	(16,087)
Increases		
Trustees Income for the Period	38,410	106,364
Total Increases	38,410	106,364
Total Trust Capital	128,687	90,277

Notes to the Financial Statements

Horowhenua New Zealand Trust For the year ended 30 June 2022

1. Reporting Entity

Horowhenua New Zealand Trust is a trust established by a trust deed dated 4 April 2018, and subject to the Trustees Act 1956. Horowhenua New Zealand Trust is engaged in the business of Social and Economic Development.

2. Statement of Accounting Policies

The following specific accounting policies which materially affect the measurement of the Profit and Loss Statement and Balance Sheet have been applied:

Basis of Preparation

These special purpose financial statements have been prepared in accordance with the Tax Administration (Financial Statements – Domestic Trusts) Order 2022, which sets out the minimum requirements for preparation. The financial statements have been specifically prepared for the purpose of meeting the trust's income tax requirements.

Historical Cost

These financial statements have been prepared on a historical cost basis. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, excluding goods and services tax rebates and discounts, to the extent it is probable that the economic benefits will flow to the entity and revenue can be reliably measured. Interest received is recognised as interest accrues, gross of refundable tax credits received. As at balance date, all monies have been received, however not all activities have been completed.

The trust is tasked with performing the economic development, monitoring and information provision services required by the Horowhenua District Council and other projects utilising the Provincial Growth Fund funding.

Expense Recognition

Expenditure is measured at the fair value of the consideration paid or payable for the purchase of goods and services, excluding goods and services tax rebates and discounts, to the extent it is probable that the economic benefits will flow to the entity and expenditure can be reliably measured.

Trade Receivables

Trade Receivables are recognised at estimated realisable value.

Trade Payables

Trade Payables are recorded at their face value.

Investments

Investments are valued at the lower of cost or market value. Dividend income is recognised in the statement of financial performance when received inclusive of imputation credits.

Income Tax

Income tax is accounted for using the taxes payable method. The income tax expense in profit or loss represents the estimated current obligation payable to Inland Revenue in respect of each reporting period after adjusting for any variances between estimated and actual income tax payable in the prior reporting period.

Goods and Services Tax

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

	2022	2021
3. Income Tax Expense		
Net Profit (Loss) Before Tax	161,155	165,041
Additions to Taxable Profit		
Entertainment - Non Deductible	194	-
Legal Fees - Non Deductible	-	12,769
Total Additions to Taxable Profit	194	12,769
Taxable Profit (Loss)	161,349	177,810
Tax Payable at 33%	53,245	58,677
Deductions from Tax Payable		
Opening Balance	(9,424)	-
Imputation credits on dividends received	41,791	41,791
RWT Paid on Dividends	7,463	7,463
Income tax paid	14,371	-
Total Deductions from Tax Payable	54,201	49,254
Income Tax Payable (Refund Due)	(956)	9,424

4. Related Parties

During the year, Horowhenua New Zealand Trust paid Service Fees to The Horowhenua Company Limited. The Trust also received a dividend from The Horowhenua Company Limited during the year. Horowhenua New Zealand Trust owns 100% of the shares in The Horowhenua Company Limited.

5. Events after Balance Sheet Date

The Trust continues to operate in a time when Covid-19 is still being managed throughout New Zealand.

The Trustees will continue to monitor the impact of COVID-19 on the Trust, but at the date of signing this report the Trustees do not believe the entity has been or will be adversely affected by the pandemic.

The Trustees maintain the view that the Trust has sufficient resources that it will continue to operate as a going concern, provided operational targets are met.

Independent auditor's report

To the Trustees of Horowhenua New Zealand Trust

Opinion

We have audited the special purpose financial statements of Horowhenua New Zealand Trust on pages 4 to 9, which comprise the balance sheet as at 30 June 2022 and the statement of profit or loss, and statement of changes in equity for the year then ended, and notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of Horowhenua New Zealand Trust for the year ended 30 June 2022 are prepared, in all material respects, in accordance with the Tax Administration (Financial Statements) Order 2014.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the special purpose financial statements' section of our report.

We are independent of Horowhenua New Zealand Trust in accordance with Professional and Ethical Standard 1 (Revised) 'Code of ethics for assurance practitioners' issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

Emphasis of Matter: Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2 to the special purpose financial statements, which describes that these are prepared specifically for the purposes of assisting Horowhenua New Zealand Trust to meet its tax obligations. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for Horowhenua New Zealand Trust and its Trustees and should not be distributed to parties other than Horowhenua New Zealand Trust.

Trustees responsibilities for the special purpose financial statements

The Trustees are responsible on behalf of Horowhenua New Zealand Trust for the preparation of these special purpose financial statements in accordance with the accounting policies set out in the statement of accounting policies of the special purpose financial statements and for such internal control the Trustees determine is necessary to enable the preparation of special purpose 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 Horowhenua New Zealand Trust for assessing Horowhenua New Zealand Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of

accounting unless the Trustees either intend to liquidate Horowhenua New Zealand Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the special purpose financial statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements 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 conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these special purpose financial statements.

A further description of the auditor's responsibilities for the audit of the special purpose financial statements is located at the XRB's website at <http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>



Moore Markhams Wellington Audit | Qualified Auditors, Wellington, New Zealand
8 November 2022