



2020

ANNUAL REPORT

CHAIR'S REPORT

It is my pleasure to Report on the continued excellent progress and success of the Trust in adding value to the wellbeing of the Waikato Region. We do this by making a variety of worthwhile Charitable donations.

The ability for our Trust to do so resides with the dedicated, business focused Trustees. The year started with fellow Trustees, Independent Trustee Jim Cotman, Waikato Federated Farmers Representatives Andrew McGiven and Jaqui Hahn, Specialist Trustees Graham Dwyer, Doug Saunders and Amy Coombes and Advisory Trustee Laura Campbell with Katie Seymour as Executive Assistant.

Like all businesses this calendar year, the impacts of New Zealand dealing with the Covid-19 pandemic has created a range of issues for us to deal with. The unknowns caused some anxiety not only for the Trust but also for the Tenants within our property portfolio.

There is little doubt that the pressures of loss of income across these businesses has caused some stress. While we are not out of the woods yet, we continue to monitor this closely. However, we are proud to have such an excellent core group of tenancies who have worked extremely hard to retain their business structure. Our thanks go to them for working alongside us to survive, and together we look forward to better times ahead.

This year sees a changing of the guard around the Board table. In February long serving Trustee Jim Cotman retired. Jim had been on the Board since inception coming through from the previous entity. Thank you, Jim, for your tireless work that assisted placing the Trust on a sound footing.



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Jim was replaced by Laura Campbell who had been on the Board as an Advisory Trustee becoming a full Trustee. At the same time Conall Buchanan was recruited joining up as an Advisory Trustee.

In August I have also decided the time is right to hang up my hat. While I find it very hard to walk away from this most enjoyable and satisfying job, I leave confident that we have a very good Trust that operates to high standards. It has a clean, workable Trust Deed in place. This is supported by a set of well-structured strategies and protocols, strong financial disciplines, a top-class executive officer, and an excellent Board.

Conall has now been appointed Chair and I am certain he will lead the Trust well ensuring the Trust continues to grow its business base to meet its Charitable Objectives.

Thank you, fellow Trustees, for working alongside me and thank you, Katie, for organising me while adding so much value to the way we do business.

Lloyd Downing

Chair



FINANCE REPORT

The 2019-2020 year has provided the Finance Committee with further opportunities to continually fine-tune and gain better efficiencies from our revenues.

An example of this is the Spotlight reporting that we introduced to the Board so that greater understanding and awareness of the finances is available for all board members. We have also initiated the completion of a capital budget to run alongside the operations budget.

Building revenue for the year increased to \$1,077,213.25, an increase from \$898,990.07 or 16.5%. As a result, net profit before distributions was a solid \$550,895.24.

Therefore, in line with our Charitable Distributions policy we have been able to increase distributions to \$284,380.47 which is a substantial increase from the previous year of \$197,495.10. I believe this to be a fantastic result.

However, in the dynamic environment we are operating in there are some threats to our operations on the horizon, and we will need to be mindful of our costs and tenancy ratios.

With our policies and procedures in place the WFT is in good heart to continue supporting our Waikato rural communities.

Andrew McGiven

Finance Committee Chair



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PROPERTY REPORT

The year ending March 2020 was one of consolidation. The adjoining former AH Franks was bought in 2017 for the connection it provided to Anglesea Street. This has been the focus over the last two years looking at opportunities for the site, refurbishing the two workshops for Hamilton Beer & Wine Co, obtaining consent and development of the balance as car parking and improving the function of right of ways to either side of the site.

The Trust has had a long-term vision of connecting Anglesea and Tristram Streets to the centre of the principle landholding around the London Street office Tower, and a design is now being prepared for a feature shared way for vehicles and pedestrians from Anglesea Street to the main site at the rear. Ultimately the shared way may connect past Curious Cubs childcare through to the Tristram Street frontage.

With a property portfolio of \$16.5 million, there is an ongoing requirement to manage tenancies and maintain the property while looking for new opportunities. The portfolio is the single source of funds for distribution to the rural community so maintenance of the bricks and mortar and the cashflow is imperative and remains a focus of the Trust.

During the year Paul Perry Realty Ltd have overseen necessary maintenance. A rental review of the childcare centre was completed resulting in a significant boost to cashflow. Following the redesign of the London Street carpark with fencing and new automated barriers arms, utilising number plate recognition, we are achieving more efficient and manageable revenue from the car parking.



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The end of the financial year was dominated by the Covid-19 pandemic. The pandemic remains a challenge for 2020/2021 with the “work from home” measures adopted during lockdown changing office use and demand. The development of previously vacant sites with apartment housing and new offices around the CBD had created good demand for inner city parking and that in turn had provided a good return for the Trust. However, the reduced office population from the "work from home" phenomenon is likely to also impact on the Trusts revenues from parking.

Having a property based income the Trust will always be subject to market variation caused by property related and unrelated (Covid-19) events, however we have a good team and supporting management with processes in place to monitor and amend strategies to tackle the challenges and make the most of opportunities that arise.

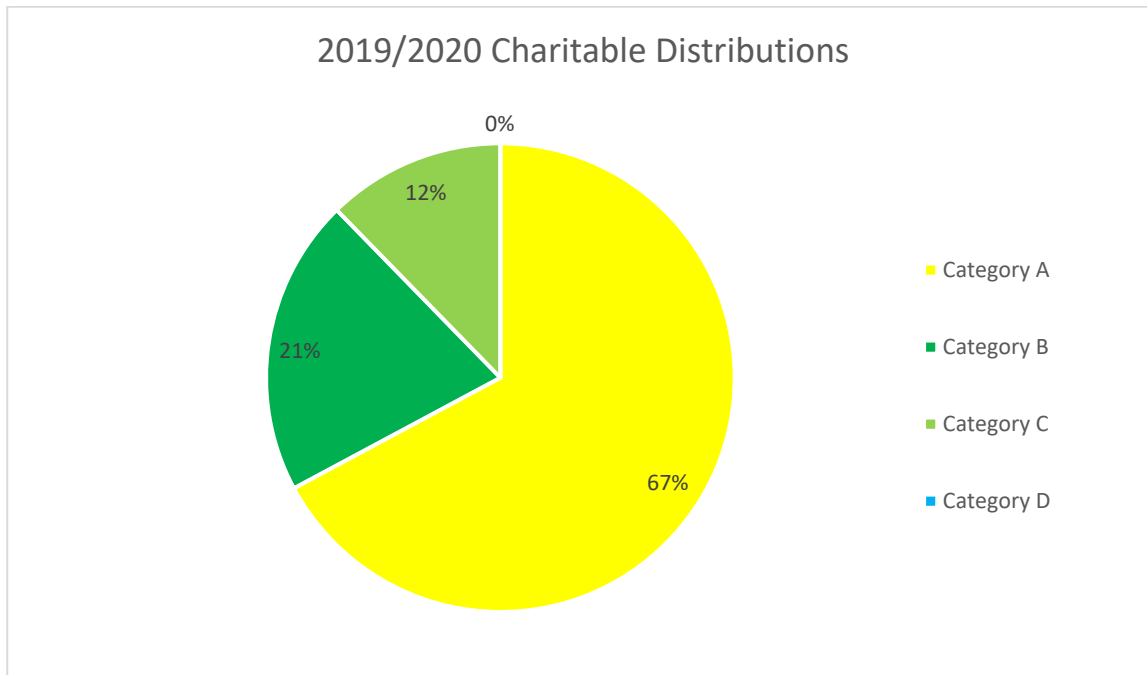
Doug Saunders

Property Committee Chair



DISTRIBUTIONS

Waikato Farmers Trust has given strong support to the rural community, with \$284,380.47 being distributed in funding and sponsorship grants.



Funding Category

A	<ul style="list-style-type: none"> Promotion of investigation and debate in relation to matters such as environmental awareness, good business practises & sustainable profitability Funding courses, seminars and projects in matters such as leadership training, governance, employment, health & workplace safety & sustainable business practises 	50%
B	<ul style="list-style-type: none"> Projects that advance charitable matters of benefit which may include community wellbeing, legal, technical, economic or research focused matters Projects that grow the knowledge base 	25%
C	<ul style="list-style-type: none"> Sponsorship of charitable causes that may include partnering with other organisations or charities Projects that have a strong component of volunteer or 'in kind' funding 	15%
D	<ul style="list-style-type: none"> Scholarships to those showing leadership potential who are intending to pursue Agribusiness in the Waikato region. Priority areas include leadership training, governance and tertiary education relevant to the agricultural industry 	10%

BOARD MEMBERS 2020

Lloyd Downing

Chair

Andrew McGiven

Finance Committee Chair

Doug Saunders

Property Committee Chair

Graham Dwyer

Jacqui Hahn

Amy Coombes

Laura Campbell

Advisory Trustee

Katie Seymour

Executive Assistant



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