



MILFORD COMMUNITY TRUST

PERFORMANCE REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Contents

	Page
Entity Information	3
Chairperson's Report	4
What is the Performance Report?	5
Performance Information.....	6
Objectives	6
Governance Report.....	6
Performance Targets	7
Activity Report.....	8
Compensation.....	9
Value of Stakeholders Investment.....	9
Statement of Financial Performance for the year ended 30 June 2021	10
Statement of Changes in Equity for the year ended 30 June 2021	11
Statement of Financial Position for the year ended 30 June 2021	11
Statement of Cash Flows for the year ended 30 June 2021	12
Statement of Accounting Policies for the year ended 30 June 2021	13
Notes to the Financial Statements for the year ended 30 June 2021	15
Other information for the year ended 30 June 2021.....	18

Entity Information

Legal Name:

Milford Community Trust Board

Type of Entity and Legal Basis:

Charitable Trust

Registration Number:

CC39881

Mission:

The Milford Community Trust was established in 2007 by the Southland District Council and the Department of Conservation with the assistance of Environment Southland for the purposes of providing leadership and governance for the Milford community.

Structure of the Trust:

Date of Settlement:

May 2007

Settlor:

Southland District Council

Current Trustees:

Ebel Kremer

Tim Holland

Steve Norris

Tony Woodham

Brad Johnstone

Rosco Gaudin

Term of Office:

Councillor (Three years) and Interim Chairperson (December 2021)

Four Years

Four Years

Four Years

Three Years

Four Years

Manager:

Southland District Council

Secretary:

Southland District Council

Trust Capital:

100 dollars

Main Sources of Resources:

Milford Community Trust's primary source of income is via a concessionaire's fee charged to local organisations on a quarterly basis.

Chairperson's Report

It's been a most challenging year for the Milford Community and Tourist Operators operating out of Milford Sound.

The COVID-19 pandemic following on the heels of the February 2020 floods continues to have a devastating economic effect on Tourist Operators in Milford. The flow on effect has been a significant decrease in Community residents and a negative impact on previously busy and vibrant Milford Sound Accommodation Village.

The Trust decided to continue its support the Milford operators by again not seeking their financial contributions to the Community Trust. This approach was seen by the Trust as a way of acknowledging the economic down turn plus providing a level of support to the Milford Operators during such challenging times.

The Trust has also decided to place on hold the construction of the Recreational Facility. To construct a facility in these uncertain times and place additional responsibility on the Milford Sound Residents is, in the Trust's view, unwise.

During the previous twelve months the Trust has reviewed and amended the trust deed to more accurately reflect the Trust's purpose and reflect the outcomes it needs to focus on. The additional amendment is the ability to reduce the number of trustees required to be on the Trust and reduce the number of meetings required during any twelve-month period.

Thank you to all the trustees for their support and assistance. Also, my thanks to SDC staff Simon Moran for your support and guidance.

I look forward to working alongside fellow Trustees as we meet new and challenging times. I also look forward to enhancing the Trust's relationship with relevant agencies and organisations as we work together for the benefit and improvement of the Milford Community and its visitors.

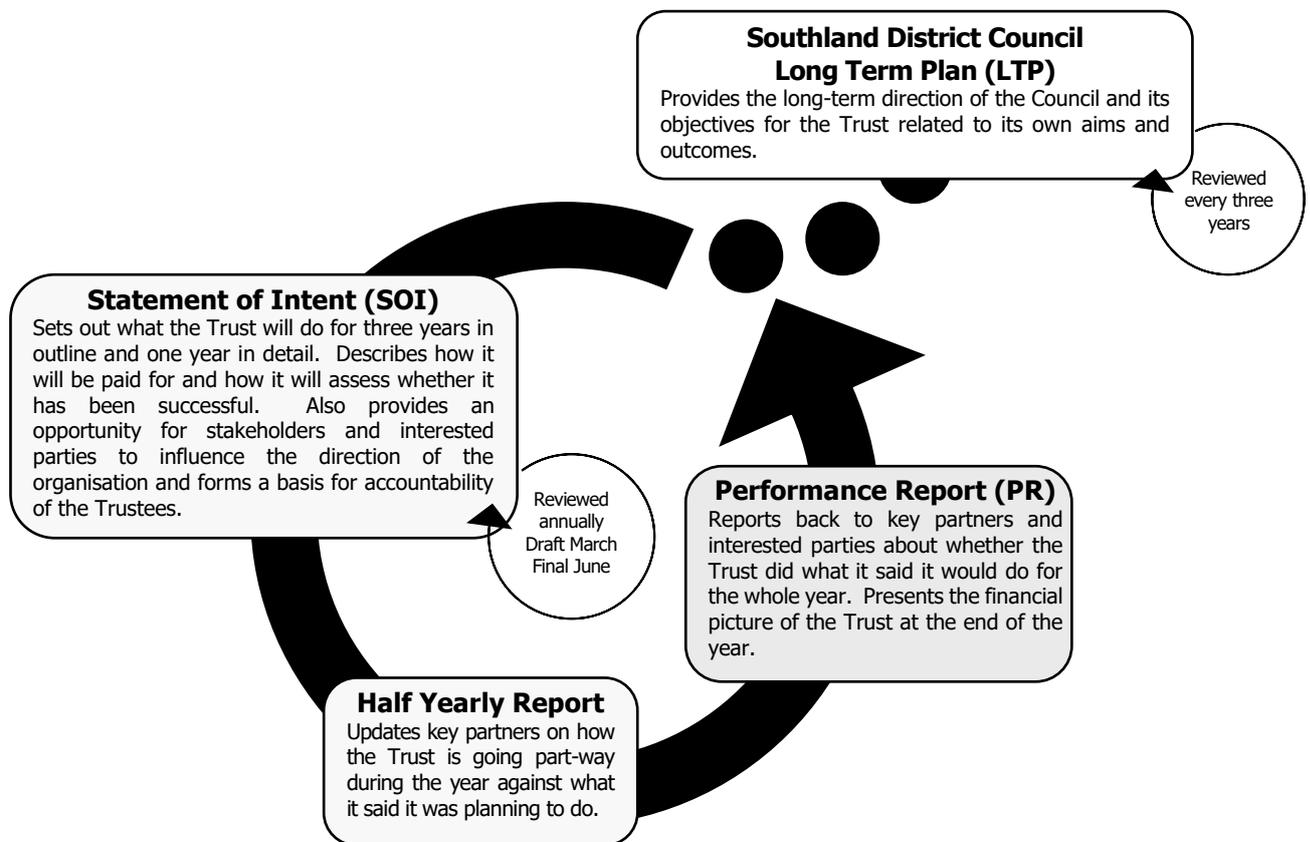


Ebel Kremer
Interim Chairperson
Milford Community Trust

What is the Performance Report?

Each year a Performance Report is produced for the Milford Community Trust which compares activities performed with those intended as set out in the Trust's Statement of Intent for the year. This information allows the operation of the Trust to be assessed by its key partners and other interested parties. This document reports in the Trust's activities during the year 1 July 2020 to 30 June 2021 which was the period of Year 1 in the Statement of Intent 2020-2023.

As a Council Controlled Organisation (CCO), the Milford Community Trust has obligations to report on its activities under the Local Government Act 2002.



Performance Information

This section reports on the Trust's performance compared against what was intended in the Statement of Intent.

Objectives

The Trust has several key objectives which guide its activities, namely:

- (a) To manage and carry out services and undertake leadership, planning and advocacy for the general benefit of the Milford community so as to ensure as far as possible that the infrastructure of the community and its sense of identity, viability and wellbeing are maintained and enhanced.
- (b) To liaise with and communicate with all individuals, organisations, groups and other parties with interests in the Milford community for all purposes which are beneficial to the community.
- (c) To represent the interests of the Milford community to ensure that the natural environments and outstanding values of the Milford Sound area are safeguarded and protected for all residents and visitors to the area.
- (d) To monitor and maintain an overview of all activities and services provided within the Milford community.
- (e) To consider and report on all matters either referred to and/or delegated to it from time to time by the Department of Conservation and the Southland District Council and on any matter of interest or concern to the Milford community.
- (f) To access, use or invest funds and enter into arrangements, contracts and other agreements upon such securities or in such manner and upon such terms and conditions that the Trustees deem suitable for the purpose of furthering the objects and purposes of the Trust.
- (g) To carry out such other lawful activities which are incidental or conducive to attaining the objects and purposes of the Trust.

Reporting on the activities of the Trust as well as actual performance against planned targets provides information which can be used to evaluate progress being made towards these objectives. The Trust's Statement of Intent includes a number of performance targets and specific projects which are reported on below.

Governance Report

The Milford Community Trust was established in 2007 following a process of consultation with residents, agencies and businesses with interests in Milford. This followed the special consultation process set out in the Local Government Act 2002. The inaugural meeting of the Trust was held on 18 April 2007.

The Trust is governed by a board of seven Trustees with representatives from stakeholder groups as shown in the table below. The Trust Deed sets out the way in which business of the Trust is to be conducted. A strong driver is that the local Milford community should determine its own priorities and agree on the funding for these. The Trust strives to regularly review its performance and to be open and accountable to the community through public meetings.

Three meetings, which are open to the public, were held during the year. These meetings were held as follows;

5 November 2020
2 March 2021
28 June 2021

Trustees are detailed in the table below;

The Designation	Trustee Name	Appointed	Term Expires*
Te Anau Ward Councillor, ex-officio appointment Interim Chair	Ebel Kremer	Oct 2019	Oct 2022
		Dec 2020	Dec 2021
Milford Community Association elected representative	Brad Johnstone	2021	June 2024
Milford Community appointees	Rosco Gaudin	2020	June 2023
	Steve Norris	2021	June 2025
	Tony Woodham	2021	June 2025
	Tim Holland	2021	June 2025

* These terms were correct as at the end of the 2020/21 financial year but have subsequently been amended by the changes to the Trust Deed as at 28 July 2021.

Trustee appointments

Three Trustees were appointed in 2020/21.

Performance Targets

The information below sets out how the Trust performed against the key performance indicators from the Statement of Intent chosen to reflect the level of service to be provided.

The table shows what Level of Service the Trust said it would provide, how this will be measured, the target for the 2020/2021 year and whether the targets were achieved, partially achieved or not achieved and the reason for any significant variance.

What the Trust said will provide	How the Trust said it will measure the service provided		
	Level of Service	Key Performance Indicator	Target
Maintain a structure that facilitates local decision-making.	Number of Milford Community Trust meetings held annually	4	Not Achieved. The trustees did not want to meet a fourth time during the reporting period as given the ongoing impact of Covid-19 on tourism, and particularly Milford Sound Piopiotahi, there was insufficient business to warrant holding all meetings. Three meetings were held in 2020/21 in November, March, and June. (2019/20: Achieved)
Keep the Milford community informed about Trust plans and outcomes.	Hold public forums in Milford each year.	1	Not Achieved. Due to the lack of Trust activity planned for the year, particularly the deferment of the proposed recreation centre, the Trustee's considered it wasn't necessary to hold a meeting in at Milford Sound Piopiotahi. (2019/20: Not Achieved)

Activity Report

The information below reports on the planned activities included in the Statement of Intent 2020-2023 as well as any unplanned for activities actually carried out during the year.

Activity Description	Date	Status
Planned Activities		
Advocate and assist with other organisations for strategic improvements in community planning in Milford Sound.	June 2021	There have been ongoing discussions with the Department of Conservation primarily through their representatives who attend the Trust meetings. The Chair has also participated in discussions with the Milford Opportunities Project consultants who were working on a long-term master plan for Milford that has now been publicly released.
Provide funding for medical support, services and facilities for the Milford Emergency Response Team station.	June 2021	Last year it was stated that <i>The Trust decided to allocate \$80,000 p.a. in conjunction with Milford Sound Tourism Limited to ensure there was full time medical coverage for Milford. No appointments were made prior to the flooding and Covid-19 events of 2020 and it is unlikely that they will occur in the next 12 months.</i> This has proven to be correct given the significantly reduced level of visitors.
Review of the Trust and charging mechanism with stakeholders including concessionaires	June 2021	A review of the Trust Deed was undertaken and the Trustees agreed to change the rules of the Deed to better reflect the operations and capacity of the Trust. That decision was made at its meeting on the 28 th June 2021 and the amendments were electronically lodged on the 28 th July 2021.
Facilitate the construction of the Milford recreation centre if it gets approval.	June 2021	Construction was intended to occur however, the financial impact from Covid-19 on Milford Operators who would fund the ongoing operational costs plus any additional capital costs means that the Trust continue to put this project on hold.
Advocate for the continuation of maintaining beautification and roading within the village and Deepwater basin.	June 2021	Lobbying of the Department of Conservation and Council has continued primarily through the Trust meetings where representatives are present.
Assist Milford Community Association with the ongoing development of Cleddau Village recreation area to accommodate the community centre.	June 2021	Construction was intended to occur however, the financial impact from Covid-19 on Milford Operators who would fund the ongoing operational costs plus any additional capital costs means that the Trust continue to put this project on hold.
Unplanned Activities		
None		
Information Requirements		
Draft Statement of Intent approved by the Trust.	30 March 2021	Achieved. The Trust received the report on 2 nd March.

Activity Description	Date	Status
Final Statement of Intent prepared and circulated to key partners.	30 June 2021	Achieved. The Council approved the Statement of Intent on 23 rd June.
Half yearly report prepared and circulated to key partners.	30 March 2021	Achieved. The Trust received the report on 2 nd March.

Compensation

In the Statement of Intent, the Trust indicated that it would require funding (investment) from parties for undertaking particular activities. The Trust is required to report on compensation provided by key partners in particular. The table below details the actual compensation versus what was budgeted in the Statement of Intent.

Contribution	Activity	2020/2021 Budgeted	2020/2021 Actual	Comment
Key Partners				
Other Sources				
Concessionaires (via Concession Activity Fee)	Governance Costs	\$150,583	\$0	The Trustees at their June 2020 meeting decided that due to the effects of Covid-19 on the revenues of tourism companies (all MCT revenue is derived from tourism operators), it would not invoice for the first half of the financial year. It subsequently made a further decision in March 2021 to not invoice for the remainder of the financial year and the first half of 21/22. It is consciously foregoing income in order to support the operators.

Value of Stakeholders Investment

The net value of the stakeholders' investment in the Trust is estimated to be \$449,207 as at 30 June 2021. The assessment uses the value of stakeholders' funds as a guide.

Milford Community Trust
Statement of Financial Performance
For the year ended 30 June 2021

	Actual 2021	Budget 2021	Actual 2020
Revenue			
Concessionaires Income	-	150,583	112,938
Interest Income	5,799	-	9,994
Trustee Fees Forgiven	2,700	-	3,000
Total Revenue	8,499	150,583	125,931
Expenses			
Accommodation and Meals	-	500	-
Administration Fees	44	50	44
Advertising - Newspaper	-	600	38
Audit Fees	4,316	4,500	4,208
Bank Fees	40	40	40
Catering Expenses	-	500	(3)
Chairpersons Fees	10,000	10,000	10,000
Depreciation	1,457	1,472	1,502
General Expenses	-	500	346
Legal Costs	822	-	832
Medical Support	-	80,000	-
Mileage	-	1,500	-
Project Development & Planning	-	5,000	3,030
Radio Tower	-	370	-
Room Hire	-	200	(7)
Trustees Fees	3,300	6,000	3,000
Insurance	2,900	2,882	2,825
Total Expenses	22,879	114,114	25,856
Surplus/(Deficit) for the Year	(14,381)	36,470	100,075

The above statement should be read in conjunction with the following Statement of Accounting Policies and Notes to the Financial Statements.

Milford Community Trust

Statement of Changes in Equity

For the year ended 30 June 2021

	Actual 2021	Budget 2021	Actual 2020
Total Equity at beginning of year	463,587	439,638	363,512
Net Surplus/(Deficit)	(14,381)	36,471	100,075
Equity at end of year	449,207	476,109	463,587

Milford Community Trust

Statement of Financial Position

As at 30 June 2021

	Note	Actual 2021	Budget 2021	Actual 2020
Assets				
Current Assets				
Bank Accounts and Cash	2	19,818	15,000	17,843
Short Term Deposit	3	390,000	35,565	410,000
Debtors		100	100	119
Accrued Income		556	-	2,545
GST Recievable		123	-	-
Total Current Assets		410,597	50,665	430,506
Non-Current Assets				
Property, Plant and Equipment	4	47,116	597,101	48,573
Total Non-Current Assets		47,116	597,101	48,573
Total Assets		457,713	647,766	479,079
Liabilities				
Current Liabilities				
Accrued Expenses		8,506	5,000	7,798
Creditors		-	-	2,507
Term Loan - Current Portion		-	36,376	-
GST Payable		-	(33,342)	5,187
Total Current Liabilities		8,506	8,034	15,492
Non-Current Liabilities				
Term Loan - Non Current		-	163,624	-
Total Non-Current liabilities		-	163,624	-
Total Liabilities		8,506	171,658	15,492
Net Assets		449,207	476,108	463,587
Accumulated Funds				
Trust Capital	7	100	100	100
Accumulated Surplus/(Deficit)		449,107	476,008	463,487
Total Accumulated Funds		449,207	476,108	463,587

The above statement should be read in conjunction with the following Statement of Accounting Policies and Notes to the Financial Statements.



Trustee



Trustee

Date Signed: 29 June 2022

The above statement should be read in conjunction with the following Statement of Accounting Policies and Notes to the Financial Statements.

Milford Community Trust Statement of Cash Flows For the year ended 30 June 2021

	Actual 2021	Actual 2020
Cash Flows from Operating Activities		
Cash was received from:		
Receipts from Concessionaires Income	17	113,507
Grants	-	-
Interest Received	7,788	8,981
Cash was applied to:		
Goods and Services Tax (Net)	(5,635)	6,961
Payment to Suppliers and Employees	(20,194)	(19,407)
Net Cash Flows from Operating Activities	(18,024)	110,042
Cash Flows from Investing Activities		
Cash was received from:		
Term Deposit Maturity	410,000	275,000
Cash was applied to:		
Investment In Property, Plant and Equipment	-	-
Investment In Term Deposit	(390,000)	(410,000)
Net Cash Flows from Investing Activities	20,000	(135,000)
Net Cash Flows from Financing Activities	-	-
Net Increase/(Decrease) in Cash	1,976	(24,958)
Opening Cash	17,843	42,801
Closing Cash	19,818	17,843

Statement of Accounting Policies

For the year ended 30 June 2021

BASIS OF PREPARATION

Milford Community Trust has applied PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2 million.

All transactions in the Performance Report are reported using the accrual basis of accounting.

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

SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Concessionaires Fees

Revenue is recorded when the fee is due to be received.

Donated Assets

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant.

Interest

Interest revenue is recorded as it is earned during the year.

Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment and the loss is recorded as a bad debt expense. Debtors are shown as GST inclusive.

Bank Accounts and Cash

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks.

Term Deposits

Term Deposits are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered, it is written down to the expected recoverable amount.

Creditors and Accrued Expenses

Creditors and accrued expenses are measured at the amount owed.

At balance date, trustee's fees that have not been claimed are recognised as revenue.

Property, Plant and Equipment

Property, plant and equipment is recorded at cost, less accumulated depreciation and impairment losses.

Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount.

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 diminishing value basis that will write off the cost of the assets over their useful lives. This is calculated using the following rates:

Recreational Pad 3% Diminishing Line

Income Tax

The Trust is exempt from income tax as it is a Charitable Trust registered under the Charities Commission.

Budget Figures

The budget figures are derived from the 2020-2023 Statement of Intent as approved by the Trustees on 7 May 2020. The budget figures have been prepared in accordance with tier 3 standards, using accounting policies that are consistent with those adopted by the Trustees in preparing these financial statements.

Changes in Accounting Policies

There have been no changes to the accounting policies applied in the financial statements from the prior year.

Goods and Services Tax

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors which are stated inclusive of GST.

Notes to the Financial Statements

For the year ended 30 June 2021

1. Post balance date events

Milford Community Trust approved at their 29 June 2021 meeting to approve the proposed amendments the Milford Community Trust Board deed. The amended trust deed has been provided to the Trustees for signing in July 2021.

In the coming months, the Trust have indicated that they are planning to consider if a Council controlled organisation will continue to be the appropriate entity to provide leadership and governance of Milford Sound into the future. Any change in structure is anticipated to occur after 1 July 2023.

2. Bank accounts and cash

Account	2021	2020
BNZ Cheque Account	157	819
BNZ Savings Account	19,661	17,024
Total	19,818	17,843

Interest rates on the BNZ Cheque and Savings accounts at 30 June 2021 are 0.05% and 0.05% per annum respectively (2020: 0.05% and 0.05%).

3. Investments

Account	2021	2020
Term Deposit(s)	390,000	410,000
Total	390,000	410,000

Five term deposits are held with BNZ at 30 June 2021.

- A \$50,000 deposit, maturing 30/08/2021, at 0.60% interest.
- A \$60,000 deposit, maturing 08/11/2021, at 0.99% interest.
- A \$30,000 deposit, maturing 14/12/2021, at 1.06% interest.
- A \$100,000 deposit, maturing 27/1/2022, at 1.00% interest.
- A \$150,000 deposit, maturing 24/3/2022, at 1.10% interest.

Five term deposits are held with BNZ at 30 June 2020.

- A \$150,000 deposit, maturing 24/08/2020, at 2.75% interest.
- A \$100,000 deposit, maturing 09/09/2020, at 2.41% interest.
- A \$50,000 deposit, maturing 28/10/2020, at 2.12% interest.
- A \$50,000 deposit, maturing 11/11/2020, at 2.06% interest.
- A \$60,000 deposit, maturing 26/3/2021, at 1.83% interest.

4. Property, plant and equipment

	Land Improvements	Total
Carrying Amount at 1 July 2019	50,075	50,075
Additions	-	-
Disposals (net of Accumulated Depreciation)	-	-
Depreciation Expense	(1,502)	(1,502)
Carrying Amount at 30 June 2020	48,573	48,573

Carrying Amount at 1 July 2020	48,573	48,573
Additions	-	-
Disposals (net of Accumulated Depreciation)	-	-
Depreciation Expense	(1,457)	(1,457)
Carrying Amount at 30 June 2021	47,116	47,116

* Land Improvements relates to the construction of the Cleddau Village Recreational Reserve asphalt pad. Construction was completed in March 2017.

5. Contingent assets and liabilities

There are no contingent assets or liabilities as at 30 June 2021 (Nil June 2020).

6. Commitments

The Trust has no commitments as at 30 June 2021 (Nil June 2020).

7. Accumulated Funds

	2021	2020
Contributed Capital		
Balance at 1 July	100	100
Balance at 30 June	100	100
Accumulated Surplus		
Balance at 1 July	463,587	363,512
Surplus/(Deficit) for the year	(14,381)	100,075
Balance at 30 June	449,207	463,587
Accumulated funds	449,207	463,587

8. Related Parties

Department of Conservation and Southland District Council with the assistance of Environment Southland worked together setting up a Council Controlled Organisation in the form of this Trust, and therefore are the stakeholders of the Trust.

The Trust had transactions with DOC during the year of \$19 (2019 \$759) for 2019/2020 concessionaires income paid in 2020/2021.

The Trust had no transactions with Southland District Council during the year (2020 Nil).

The Trust had no transactions with Environment Southland during the year (2020 Nil).

Additionally, Trustees have interests in organisations within Milford Sound which contribute to the Trust through payment of a concessionaire's fee. Related party disclosures have not been made for transactions with these organisations as the setting of these fees is conducted under terms and conditions no more or less favourable than those that it is reasonable to expect the Trust would have adopted in dealing with the party at arm's length in the same circumstances.

9. Explanation of major variances against budget

Explanations for major variations from the Trust's budget for the year ending 30 June 2021 Statement of Intent are as follows:

- **Statement of Financial Performance**

- No concessionaires invoicing was completed in 2020/2021 as the Trust resolved on the 19 June 2020 and 2 March 2021 to forego this revenue, to provide relief for the Concessionaries due to the impact on tourism from the February floods and Covid-19.
- No accommodation and meal costs, were incurred as the audit is completed offsite.
- No Trustee fees or mileage was claimed by Trustees for the year.
- Legal costs relate to advice received regarding, amending the current Trust Deed.
- **Statement of Financial Position**
 - Term Deposits are higher than budgeted primarily due to minimal progress on the recreation centre project. All surplus funds have been invested in term deposits.
 - GST Receivable, Property, Plant and Equipment and Term Loan balances are lower than budget due to the work on the Cleddau Village recreation centre being slower to progress than anticipated as a result of the February flooding event and Covid-19.

10. **The impact of Covid-19 on the Trust**

The effect on the Trust's operations is reflected in these financial statements, based on the information available to the date these statements are signed. The impact is considered to be minimal in terms of expenditure as the Trust does not operate public facilities however, its income is from fees paid by the Milford concessionaire fees which are heavily reliant on the tourism industry. The Trust therefore decided not to invoice concessionaire fees through to end of December 2021. This approach was seen by the Trust as a way of acknowledging the economic down turn and providing a level of support to the Milford operators during adverse times.

The Trust has also decided to place on hold for a period of up to 12 months on the construction of the recreational facility and the ongoing financial contribution by the concessionaires towards the recreational facility would be inappropriate under the difficult times being experienced with Covid-19. Due to the infancy of this project no contract variations were incurred as a result of Covid-19.

As at the date of this report, the Trust has not received any enquiries from concessionaires raising concerns about their ability to pay. Additionally, the Trust's only property asset (the recreational pad), is recognised at cost at there is no impact on its value as a result of Covid-19.

On this basis it is anticipated that the ongoing effect of Covid-19 on the Trust will be minimal, however some uncertainties remain. There could also be other matters that affect the Trust in the future, of which we are not yet aware.

11. **Legislation Compliance**

The Trust was required under its Trust Deed which states that the trust will prepare and deliver to the Council the annual report in terms of section 66 and 67 of the Local Government Act 2002.

This states that it is required under the Act to complete its audited financial statements and service performance information by 30 November 2021.

This timeframe was not met because Audit New Zealand was unable to complete the audit within this timeframe due to an auditor shortage and the consequential effects of Covid-19, including lockdowns.

Other information

For the year ended 30 June 2021

The Trust budgeted for the commencement of the building of the recreation centre, however due to the ongoing effects of Covid-19 this project was delayed.

Capital Projects

	Actual 2021	Budget 2021	Actual 2020
Project			
Recreation Centre	-	500,000	-
	-	500,000	-