



MILFORD COMMUNITY TRUST

STATEMENT OF INTENT 2022 - 2025

STATEMENT OF INTENT

1. Introduction

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.

The Trust Deed defines Milford as the developed area of land and adjacent coastal marine area at the end of State Highway 94 at the head of Milford Sound. It defines the Milford community as being the residents of Milford, the holders of concessions from the Crown operating at Milford and Iwi.

The purpose of this Statement of Intent (SOI) is to:

- Set out the proposed activities of the Trust.
- Provide an opportunity for stakeholders to influence the direction of the organisation.
- Provide a basis for accountability of the Trustees to their stakeholders for the performance of the organisation.

This Statement of Intent covers the three years from 1 July 2022 to 30 June 2025. This statement is updated annually.

2. Objectives of the Trust

The objectives of the Trust are:

- (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 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.
- (f) To carry out such other lawful activities which are incidental or conducive to attaining the objects and purposes of the Trust.

3. Statement on the Trust's Approach to Governance

Establishment

The Milford Community Trust was established in 2007 following a process of consultation with residents, agencies and businesses with interests in Milford in accordance with 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 was incorporated under the Charitable Trusts Act 1957 on 18 May 2007. The Charities Commission has approved the Trust as being exempt for tax purposes.

The Trust reports to the Southland District Council.

Trust Structure

In accordance with Section 9 of the Trust Deed (as amended in 2020) the Trust is governed by a board of five Trustees. The current trustees are shown in the table below:

Designation	Name	Term Expires 30 June
Independent Chair	Ebel Kremer	Dec 2022
Milford Community appointee	Brad Johnstone	2023
Milford Community appointee	Rosco Gaudin	2023
Milford Community appointee	Tony Woodham	2024
Milford Community appointee	Steve Norris	2024

Trust Operations

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. The Trustees also undertake to meet the regulatory and stakeholder requirements for governance, reporting and planning, particularly the local government reporting requirements and recognition of the National Park and World Heritage Area status of the Milford Sound *Piopiota*hi area.

Resources Available to the Trust

Standing Orders, a Code of Conduct for Trustees and administrative support are available from Southland District Council.

Significant Policies

Financial Delegations Policy
Suspected Fraud Policy
Sensitive Expenditure Policy

Where appropriate, further policy guidance is obtained from relevant council's and other statutory authorities and reviewed and updated as necessary.

4. The Nature and Scope of the Activities to be Undertaken

Vision

The Trust's vision is:

The long-term sustainability of Milford Sound Piopiotahi, with a community focus.

Strategic Goals

The primary goals of the Trust are to:

- Provide leadership and governance for the Milford community in Milford Sound *Piopiotahi*.
- Advocate for the general benefit of the Milford community.

Within the over-arching vision and strategic goals, the more specific focus areas for 2022 – 2025 are:

Planning:

- Determine the future direction of the Trust.

Communication:

- Maintain relationships with the community and Milford infrastructure providers.
- Provide clear information to concessionaires regarding intentions and implementation of Trust policies.
- Consult with the community and concessionaires to develop a strategic project plan for the Trust to deliver for the benefit of the community.

Advocacy:

- Advocate, as required, on behalf of the Milford community to central government, Environment Southland, Department of Conservation, Southland District Council, Iwi and other authorities.
- Advocating for better planning to address specific issues: highway safety, control of illegal camping, toilet facilities, community facilities, coordinated emergency response, and recognition of the area's World Heritage status.

Planned Activities/Services

2022/23:

- Advocate with, and assist, other organisations for strategic improvements in community planning and development in Milford Sound.

2023/24:

- Advocate with, and assist, other organisations for strategic improvements in community planning in Milford Sound.
- Review the feasibility of the recreation centre
- Undertake planning for the recreation centre project, if appropriate.
- Review the future of the Trust

2024/25:

- Advocate with, and assist, other organisations for strategic improvements in community planning in Milford Sound.
- Facilitate the construction of the Milford recreation centre once project has been approved by Department of Conservation.
- Maintain oversight of the management of the Milford Recreation Centre.

5. Ratio of Total Assets: Equity

Total assets are defined to include cash, investment and bank balances, accounts receivable, investments, prepayments, fixed assets (net of accumulated depreciation), intangible assets (net of accumulated amortisation), loans (none), etc.

Total equity is defined to include accumulated funds and retained earnings.

6. Significant Accounting Policies

The following accounting policies have been adopted by the Trust.

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 with Banks 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.

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 straight line and 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
Buildings	2%	Straight Line

Income Tax

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

Loans

Loans are recognised at the amount borrowed from the lender, less any repayments made.

Budget Figures

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.

7. Key Performance Targets

These are agreed by the Trust and made available to the public, by inclusion in Southland District Council's Long Term Plan (LTP).

Level of service	Key performance indicator	Actual	Target		Confirmation source	
		20/21	22/23	23/24		24/25
Maintain a structure that facilitates local decision making.	Number of Milford Community Trust meetings held annually.	3	2	2	2	Agenda/minute records on file.
Keep the Milford community informed about Trust plans and outcomes.	Hold public forums in Milford each year.	0	1	1	1	Agenda/minute records on file which note meeting location

8. Information to be reported to Council

In each year the Trust will comply with all reporting requirements under the Local Government Act 2002 (particularly Sections 66 to 69 of that Act). In particular, it will provide:

- A draft Statement of Intent detailing all matters required under the Local Government Act 2002 by 1 March each year for consideration prior to commencement of the new financial year.
- A half yearly report by the end of February each year (specific dates as set by Council).
- An annual report by the end of September each year (specific dates as set by Council).

Copies of the Trust's reports are made publicly available on the Southland District Council's website.

9. Key Issues

- Decide whether or not it is feasible to proceed with the development of a recreation centre building.
- There is a need to understand which concessionaires are still operating both from a stakeholder perspective and for the purposes of apportioning the implied concession activity fee that generates the Trust's revenue.
- To decide when to reinstate invoicing concessionaires and for how much.

10. Activities for which Other Investment is sought

The value of the annual concession to be charged will continue to be reviewed each year. For 2022/2023, the total amount being sought from concessionaires is \$0.00.

Included within the Forecast Expenditure of the Trust is Management and Administration costs of \$30,526 (excluding GST).

The operational and project costs are those which the Milford Community Trust considers will provide benefit for all concessionaires at Milford and should be recovered from the Milford concessionaires through the Implied Concession Activity Fee, apportioned as per the Department of Conservation apportionment of cost schedule. The costs indicated above in the supporting forecasted accounts are funded from the annual implied concession activity fee and monies held.

Future budgeted costs are indicative only and will be reviewed annually by the Trustees.

Other Project Funding:

In addition to the above operational and project costs, there may at times be costs associated with other significant projects that fall either directly or indirectly under the influence of the Milford Community Trust but have all or a majority of proposed funding through means other than apportioned implied concessionaires fees. There may also be a portion of public good associated with these projects.

Due to the economic effects on Milford tourism operators the Trust has chosen not to collect any revenue for some time. On top of this there has also been an increase in construction costs which means it is now unlikely that the Trust would be able to cash fund the build unless construction is delayed until invoicing operators has resumed (assuming that it would be at previous levels). The most likely scenario is that the Trust would need to seek to debt fund at least part of the costs of the building.

In accordance with sections 3.3 and 3.4 of Southland District Council Investment and Liability Management Policy, Milford Community Trust has the ability to approach Southland District Council to borrow funds, in the instance the Trust has insufficient cash to fund the recreation centre project. The trust may also need to consider borrowing from standard market lenders such as a bank.

11. Estimate of Value of Stakeholders Investment

The net value of the stakeholders' investment in the Trust is estimated to be valued at \$100. This value shall be reassessed by the Trustees on completion of the annual accounts or at any other time determined by the Trustees. The method of assessment will use the value of stakeholders' funds as determined in the annual accounts as a guide.

12. Other Matters

No distribution is intended within the period of this Statement or succeeding years, noting the Trust's status as a charitable organisation.

Any subscription for, purchase or otherwise acquiring shares in any company or other organisation requires the prior approval of the Trustees.

MILFORD COMMUNITY TRUST
PROSPECTIVE FINANCIAL STATEMENTS 2022-2025
Prospective Statement of Financial Performance

Account Description	Actuals 2020/2021	Forecast 2021/2022	Budget 2022/2023	Budget 2023/2024	Budget 2024/2025
<u>Income</u>					
Concessionaires Income		-	-	150,000	150,000
Grant	-	-	-	-	-
Trustee Fees Forgiven	2,700	-	-	-	-
Interest	5,799	-	-	-	-
	8,499	-	-	150,000	150,000
<u>Expenses</u>					
<u>Management/Administration</u>					
Accommodation and Meals	-	500	500	500	500
Administration	44	-	44	44	44
Advertising	-	600	600	600	600
Audit Fees	4,316	4,451	4,585	4,750	5,000
Bank Fees	40	40	40	40	40
Catering Expenses	-	500	500	500	500
Chairperson's Fees	10,000	-	10,000	10,000	10,000
Depreciation - Recreational Pad	1,457	1,413	1,371	1,330	1,291
Depreciation - Recreational Centre	-	-	-	-	-
General Expenses	-	500	500	500	500
Operations and Maintenance of Rec Centre	-	-	-	-	30,000
Legal Costs	822	-	-	-	-
Mileage	-	1,500	1,500	1,500	1,500
Project Development and Planning	-	5,000	5,000	5,000	5,000
RNZ Licence	-	370	370	370	370
Room Hire	-	100	100	100	100
Trustees Fees	3,300	2,400	2,400	2,400	2,400
Insurance	2,900	2,958	3,017	3,078	3,139
	22,879	34,091	30,526	30,712	60,984
<u>Grants</u>					
	-	-	-	-	-
	-	-	-	-	-
Total Expenses	22,879	34,091	30,526	30,712	60,984
Net Operating Surplus/(Deficit)	(14,381)	(34,091)	(30,526)	119,288	89,016

MILFORD COMMUNITY TRUST
PROSPECTIVE FINANCIAL STATEMENTS 2022-2025
Prospective Statement of Changes in Equity

	Actuals 2020/2021	Forecast 2021/2022	Budget 2022/2023	Budget 2023/2024	Budget 2024/2025
Balance at 1 July	463,587	449,207	490,408	459,881	579,169
Net Surplus / (Deficit)	(14,381)	41,201	(30,526)	119,288	89,016
Capital Funding					
Equity at end of year	449,207	490,408	459,881	579,169	668,186

MILFORD COMMUNITY TRUST
PROSPECTIVE FINANCIAL STATEMENTS 2022-2025
Prospective Statement of Financial Position

	Actuals 2020/2021	Forecast 2021/2022	Budget 2022/2023	Budget 2023/2024	Budget 2024/2025
Equity					
Accumulated Funds	449,107	490,308	459,781	579,069	668,086
Trust Capital	100	100	100	100	100
	449,207	490,408	459,881	579,169	668,186
Represented by:					
Current Assets					
Accounts Receivable	100	100	100	100	100
Accrued income	556	-	-	-	-
Bank Account - 00	157	5,000	5,000	5,000	5,000
Bank Account - 25	19,661	10,000	10,000	10,000	10,000
Term Deposit - Recreation Centre	110,000	-	-	-	-
Term Deposit - Surplus Funds	280,000	432,446	404,805	482,906	37,190
GST Recievable	123	-	-	-	-
	410,597	447,546	419,905	498,006	52,290
Non Current Assets					
Recreational Pad	47,116	45,703	44,332	43,002	41,711
Recreational Centre	-	-	-	-	550,000
Recreational Centre - WIP	-	-	-	50,000	-
	47,116	45,703	44,332	93,002	591,711
Total Assets	457,713	493,249	464,237	591,008	644,001
Current Liabilities					
Accrued Expenses	8,506	5,000	5,500	5,500	5,500
Accounts Payable	-	-	-	-	-
GST Payable	-	(2,158)	(1,144)	6,339	(29,684)
	8,506	2,842	4,356	11,839	(24,184)
Non-Current Liabilities					
	-	-	-	-	-
	-	-	-	-	-
Total Liabilities	8,506	2,842	4,356	11,839	(24,184)
Net Assets	449,207	490,408	459,881	579,169	668,186