

**Marram**

# outlook

Spring 2011

Magazine of the Marram Community

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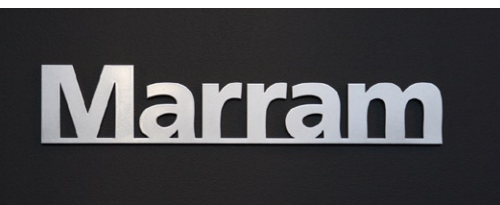
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*New beginnings...*

*Traditionally Spring is a time of new beginnings and so it has proved to be the case for Marram this Spring.....*



## MARRAM @ LORNE STREET, WELLINGTON

Marram recently moved its staff to new premises on the ground floor of the Republic2 apartment building in Lorne Street, the home of Marram's new Wellington City apartments. The Board took the bold move of buying the new premises, rather than leasing, on the basis that the saving in rent paid by the Trust is greater than the return the Trust was getting from its investments. The move to ownership also provides the opportunity for the Trust to benefit from any growth in the value of the property in the increasingly popular Te Aro area.

The new premises are the same size as the old and the location, while a little further from the main city, is attractive to team members and handy for transport.

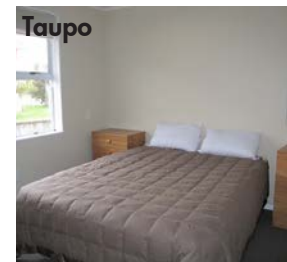
You're welcome to drop into the new premises when you're visiting our part of town. You'll be impressed with how carefully and smartly the Trust's money has been invested.

# Renovations

The first two renovations for 2011-2012 have been completed in Taupo and Mount Maunganui 9-14 (Mt Maunganui 1-8 will be completed in December). Both projects involved the following:

- Stripping the wallpaper, preparing and painting all surfaces.
- Removing and replacing all flooring.
- Removing and replacing/repositioning lighting as appropriate
- Replacing all window treatments
- Installing Freeview TV and DVD players
- Installing heat pumps and insulation where appropriate

Both renovations look fantastic and have really improved the standard of the homes. They look clean, modern, provide easy living and give an impression of space.



## in brief

**Ohakune:-** This new home was released for bookings on the 7<sup>th</sup> June and was a huge success. August occupancy was 100%, September is also 100% and October 95%.

**Wellington City Apartments:-** We had a great start to our flagship apartment release. The new location was released on 22/06/11 at 4 seconds past 2:00. The first click of 'Book Now' was by a lifetime person at 2:00:17 (13 seconds! Must be a new record!) The first confirmed payment was at 2:00:59 (The same person again, this could be a record as well) After the first 30 minutes, we had 60 bookings!

## FINANCIAL PERFORMANCE 2011

### Revenue

Income from contributors, net of GST, decreased in the second half of the financial year as the Trust absorbed the increase in the rate of GST from 1 October 2010, keeping the contribution rate unchanged but paying the increased tax. The Trustees felt that contributors would be pleased to see at least one area of household expenditure unchanged as inflation impacts on so many costs.

Despite extensive discounting of holiday home rentals, net rental income didn't drop on the previous year as contributors and lifetimers responded by taking more Marram holidays for an excellent financial outcome for them and the Trust. Marram's holiday home occupancy increased when most suppliers in the national holiday accommodation industry struggled not to lose further ground. Investment income was also almost the same as in 2010, both years being much better than the Trust is experiencing now in the current financial market turmoil. There was a book gain on the sale of under-utilised holiday homes but all proceeds have been re-invested in replacement homes.

### Expenses

Financial assistance for healthcare was distributed at the same rate as in 2010 which was 7% up on 2009. Holiday home expenditure on maintenance increased in line with budget and holiday makers' expectations. The depreciation charge also increased reflecting the purchase of new homes but unfortunately, due to a change in government tax policy, the Trust will lose most of the depreciation allowance from the current tax year onward. Operating expenses reduced slightly from 2010 such that the net result of the Trust's income and expenditure was a surplus after tax of \$886,879 or \$381,701 if you exclude the gain on sale of holiday homes.

### Financial Position as at 31 March 2011

As a result of the surplus, the Trust's equity increased by approximately \$0.9m, or 3.5%, to \$26.4m and keeps the Trust in a sound financial position. Post balance date, the Trust settled the purchase of its new apartments and office space in Wellington, and purchased a third holiday home in Ohakune.

Glenn Clark  
CEO

## INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL REPORT TO THE CONTRIBUTORS OF MARRAM COMMUNITY TRUST

### Report on the Summary Financial Report

The accompanying summary financial report of the Marram Community Trust (the Trust) on page 5, comprises the summary statement of financial position as at 31 March 2011, and the summary statement of financial performance, summary statement of changes in equity and summary statement of cash flows for the year then ended, and related notes, are derived from the audited financial statements of the Trust for the year ended 31 March 2011. We expressed an unmodified audit opinion on those financial statements in our report dated 20 July 2011.

The summary financial report does not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial report, therefore, is not a substitute for reading the audited financial statements of the Trust.

This report is made solely to the Contributors, as a body, for the purpose of expressing an opinion on the summary financial report for the year ended 31 March 2011. Our audit has been undertaken so that we might state to the Contributors those matters we are required to state to them in an auditor's report on summary financial report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Contributors as a body, for our audit work, for this report, or for the opinions we have formed.

### Trustees' Responsibility for the Summary Financial Report

The Trustees are responsible for the preparation of a summary of the audited financial statements, in accordance with FRS-39: Summary Financial Reports.

### Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial report based on our procedures, which were conducted in accordance with International Standards on Auditing (New Zealand) (ISA (NZ)) 810: Engagements to Report on Summary Financial Statements.

Other than in our capacity as auditor and the provision of taxation advice, we have no relationship with or interests in the Trust.

### Opinion

In our opinion, the summary financial report derived from the audited financial statements of the Trust for the year ended 31 March 2011 are consistent, in all material respects, with those financial statements, in accordance with FRS-39: Summary Financial Reports.



Chartered Accountants  
20 July 2011  
WELLINGTON, NEW ZEALAND

**Marram Community Trust  
Statement of Financial Performance  
For the Year Ended 31st March 2011**

	2011 \$	2010 \$
<b>Income</b>		
Contributions	4,723,866	4,832,139
Holiday Home Rentals	1,521,085	1,518,272
Investment Income	885,466	700,008
Unrealised Gain on Investments	375,566	567,423
Gain on Sale of Holiday Homes	505,178	-
<b>Total Revenue</b>	<b>8,011,161</b>	<b>7,617,842</b>
<b>Less Benefits</b>		
Sickness Benefits	-	91,893
Financial Benefits	3,571,501	3,499,190
Donations	-	500
	<b>3,571,501</b>	<b>3,591,583</b>

<b>Less Holiday Home Expenses</b>		
Power & Water	214,947	229,209
Maintenance-Furnishings	93,127	65,699
Maintenance-Land & Buildings	255,303	206,454
Insurance	68,061	59,598
Property Software Service Contract	4,380	2,190
Rates & Land Lease	219,641	221,463
Property Consultants	83,988	9,083
Property Inspection & Travel	9,797	7,675
House Person Expenses	62,095	68,504
Depreciation	390,788	338,594
	<b>1,402,127</b>	<b>1,208,469</b>

**Gross Surplus from Trading** 3,037,533 2,817,790

**Less Expenses**

Accident Compensation Levy	3,649	7,004
Bank Charges	33,682	56,013
Board Expenses	3,884	4,259
Computer Expenses	211,557	206,467
Entertainment	58	913
Insurance	19,668	20,758
Interest Deductible	2,909	47
Investment Fee	54,081	32,437
Professional Fee	119,082	91,040
Marketing Expenses	10,164	7,792
Office Administration Expenses	12,489	13,812
Postage	17,736	30,819
Printing, Stamps & Stationery	22,158	68,280
Publicity & Promotion	4,833	2,060
Rents	124,840	111,190
Staff Expenses	61,858	58,539
Staff Training	18,159	9,846
Telephone, Tolls & Internet	25,161	27,586
Travel- National	149	951
Travel - Sales & Marketing	2,022	3,847
Wages & Salaries	1,008,114	983,173
Depreciation	316,582	396,542
Loss on Disposal of Assets	33,801	2,985
<b>Total Expenses</b>	<b>2,106,636</b>	<b>2,136,360</b>

**Operating Surplus Before Tax** 930,896 681,430

Taxation 44,016 149,708

**Net Surplus After tax** 886,879 531,722

Retained Earnings at Beginning of Year 25,538,369 25,006,648

**Retained Earnings at End of Year** **26,425,249** **25,538,369**

**Marram Community Trust  
Statement of Changes in Equity  
For the Year Ended 31st March 2011**

	2011 \$	2010 \$
Equity At Beginning of Year	25,538,369	25,006,648
Net Operating Surplus(deficit) After Tax	886,879	531,721
<b>Equity at End of Year</b>	<b>26,425,249</b>	<b>25,538,369</b>

**Marram Community Trust  
Statement of Financial Position  
As at 31st March 2011**

	2011 \$	2010 \$
Current Assets	5,007,815	5,094,120
Non-Current Assets	22,108,612	21,121,601
<b>Total Assets</b>	<b>27,116,427</b>	<b>26,215,720</b>
Current Liabilities	691,178	677,351
Equity	26,425,249	25,538,369
<b>Total Liabilities &amp; Equity</b>	<b>27,116,427</b>	<b>26,215,720</b>

**Marram Community Trust  
Statement of Cash Flows  
For the Year Ended 31st March 2011**

	2011 \$	2010 \$
Net Operating Cash flow	150,575	676,310
Net Investing Cash flow	(369,488)	(1,594,360)
Net Financing Cash flow	-	(3,328)
<b>Net Cash flow</b>	<b>(218,913)</b>	<b>(921,378)</b>

These financial statements were approved for issue and on behalf of the Board of Trustees.



Jan O'Neill - Chairman

20/7/2011

**Notes to the Summary Financial Report**

The Summary Financial Report for Marram Community Trust (The Trust) for the year ended 31/3/2011 have been extract from the full financial reports. The full financial reports were authorised on 20 July 2011 and given an unmodified opinion. The summary financial report cannot be expected to provide as complete an understanding as provided by the full financial report. A copy of the full financial report can be obtained from the e-mail address below. The auditor has examined the summary financial report for consistency with the audited financial report and has issued an unmodified opinion.

For further information please e-mail [enquiries@marram.co.nz](mailto:enquiries@marram.co.nz)

1. Subsequent events. The Trust made settlement for Lorne Street on the 24th of June 2011 (2010: Nil). Refer Note 2 below.

2. Commitments. Capital Commitments at 31 March 2011 are \$4,318,798 (2010: \$67,050). These funds are committed for the purchase of the buildings from Lorne St Investments Ltd.

# contributor noticeboard

## CORRESPONDENCE



Please ensure you provide adequate postage on your envelope when submitting your claim for reimbursement. Insufficient postage leads to a delay in the claim arriving at Marram, resulting in a delay in your healthcare payment being made.

Please remember to provide your bank account details and sign the claim form when submitting your healthcare claims for reimbursement. The omission of both of these requirements leads to a delay in processing your healthcare payment.

## Healthcare Grant

The Healthcare Grant was introduced in December 2009 and has recently had a minor review. The new criteria are as follows:

**Terminal Illness Grant of \$1000** in any 12 month period. To be eligible for this payment, please provide documentation from the specialist with details of the illness, that it cannot be treated and is terminal.

**Funeral Benefit of up to \$1000.** A tax invoice and fully paid funeral receipt is required. If the benefit payable is for the contributor's funeral, the 'Estate' details must be provided.

**Distance Treatment Grant of \$500** in any 12 month period. Claims will only be considered if the treatment is not available in your home town and the travelling distance exceeds 100 kms return with a minimum of one week's stay in hospital.

**Convalescent Holiday Benefit of up to \$275** in any 12 month period. Marram will provide reimbursement towards a week's holiday in a Marram Home. This benefit will only be considered if the contributor, partner or a dependent child is recovering after an illness involving at least 4 week's absence from work and is taken within 3 months of the absence from work. Please book and pay for the holiday prior to seeking reimbursement.

The maximum you can apply for in any one year for benefits under the Healthcare Grant is \$2,775.

## Contributions

Your regular contributions provide financial assistance for healthcare for You, your Partner and any dependent Children. There is no additional payment required to include dependent children. Please remember that dependent children are only included up to their 18<sup>th</sup> birthday.



## HEALTHCARE CLAIMS:

Your claim must be received by Marram within a 12 month period of payment being made for your healthcare treatment. Receipts received outside this period will not be considered for reimbursement.

## The Christmas Ballot....how does it work?

The Christmas ballot is the largest ballot of the year. Many of our contributors want to take advantage of the Christmas break and enjoy a value for money Marram holiday home. Unfortunately, not everyone is successful in the ballot and we do have some disappointed contributors.

As you may recall, in 2009 we made some changes to the Christmas Ballot to make it as fair as possible. Below we have outlined briefly how your ballot entry is processed and we have also provided some handy tips;

- Every person in the ballot is allocated category, 1, 2, or 3. Those who won and took a ballot holiday during any peak season in the previous 12 months are in category 2. Lifetimers are always category 3 and everyone else is category 1.
- **Tip:** Ensure your ballot request is received before 5pm on the 13th September. After that the ballot system no longer allows anyone to enter or change any ballot requests.
- All people in category 1 are given a number from 1 up to the number of people in the category, using a random number generator to assign the sequence.
- **Luck:** Of course the lower the number you get allocated, the better the chance you have.
- The system starts from number 1 and starts allocating homes. If your first choice is not available, then the system allocates your next choice. The allocation process carries on allocating the highest possible choice to each person in turn until everyone in Category 1 has been processed.
- **Tip:** You increase your chances of getting something by entering ballot lines that cover multiple locations (especially less popular locations) and multiple weeks, so that if one of your choices cannot be met, the next one may be.
- Once category 1 has been processed, the ballot system starts category 2 and then proceeds to 3.
- **Tip:** You still have a chance of being allocated a home in category 2 or 3 if you request less popular locations and less popular weeks i.e. the first and last weeks of the holiday period and non-beach locations.
- Be assured there is no manual intervention possible at any stage of the process. All Marram staff entering the ballot are governed by the same ballot process.
- **Tip:** Not all our homes are balloted over the Christmas period. Homes that are not balloted are now open for bookings.

If you have any further questions, please contact our Customer Service team on 04 801 2920 or [enquiries@marram.co.nz](mailto:enquiries@marram.co.nz)

**Reminder:**  
The Christmas ballot  
closes @ 5pm on  
13th September.



## CLEANING COMPLAINTS!

We are still receiving too many cleaning complaints. To avoid any chance of a complaint coming your way, please clean thoroughly or hire a Marram cleaner. Hiring a cleaner only costs from around \$35 and avoids any disagreements. When you depart, if the home is not cleaned to an acceptable state we will be in touch! You will either be on charged cleaning costs or banned.

Please don't take the risk – clean thoroughly or hire a Marram cleaner!



## Thanks for Recommending Marram!

Once again, thank you to all who referred work colleagues in our last referral campaign! It was great to see all the entries in to win the iPad2. Our lucky winner was Jim Walsh from Datacom, Wellington. Jim was "deeply chuffed" at winning the iPad2.

We had altogether 132 entries into the competition which included both referrer and referee. So not bad odds if you were in the running.

## So....2<sup>nd</sup> chance now to win an iPad2!

Refer a work colleague between **1 September 2011 and 16 September 2011** and you both go into the draw to win an iPad2. This time you could be the lucky winner! All you need to do is go to [click here](#) then select the correct Referral Joining Form - your organisation will have a preferred method of Payroll Deduction or Direct Debit. Complete the form and send into us. **Easy!**

Remember, you only contribute \$6.50 per week (or even less if you get a subsidy from your employer)



This offer is only available by using the stated joining forms. Competition drawn 7<sup>th</sup> October 2011 and winner notified. Marram's terms and conditions apply.

## Q: Promotional emails – why? A: Simple....We want you to benefit.

Our main purpose when sending promotional emails is to make sure you get the best value from your employee benefit by taking as many Marram holidays or short breaks as you can.

We do have good occupancy compared to other accommodation providers but we would rather get close to full occupancy because that means you benefit more.

Let's be honest! We develop promotional email campaigns not only to maintain our brand image but also encourage you to our website to book Marram holidays! And it works!

We use online marketing strategies to promote holiday homes not only to achieve occupancy but also to let you know what locations to try, what homes are new or have been renovated and what homes have been discounted. Clearly promotions can make a big impact and certain types of promotions work more effectively than others.

Our main purpose when sending promotional emails is to make sure you get the best value from your employee benefit by taking as many Marram holidays or short breaks as you can.

Marram holiday homes offer you an opportunity to experience all that New Zealand has to offer at a price that the majority of New Zealanders can only dream of.

So the next time you receive a promotional email, remember we want you to benefit from affordable holidays in great locations.

Happy holiday booking!