

Marram

Outlook

SPRING 2012

Magazine of the Marram Community

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AUCKLAND CITY
MARRAM'S LATEST ADDITION TAKES OFF

Annual Report

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**INTRODUCING
MARRAM'S NEW
BOARD MEMBERS**

**REFER
& WIN!**

Springing into action....

Welcome
to our
Spring
Edition!

Opened August & filling fast!

AUCKLAND CITY

Marram's latest
addition takes off!

THIS **STYLISH, CHIC, STUNNING,**
2 BEDROOM APARTMENT AWAITS YOU!

**Fabulous design, a great location, this
gorgeous terraced home is the pick of
Marram!**

Beaumont Quarter is a residential yet
very stylish city apartment complex,
offering space, convenience and an easy
walk to Auckland's waterfront, CBD and
Ponsonby with all its cafes, restaurants and
shops. Opposite is Victoria Park Markets
and New World. Also included for your
use is the complex gymnasium, pool, spa
and sauna. **You really can't go wrong!**

This apartment sleeps 5 comfortably but
can accommodate up to 6. Bedroom 1
has a queen bed, bedroom 2 has bunks:
top bunk single and bottom bunk queen.

- Approximately 10 minutes
walk to CBD
- Opposite Victoria Park and
Markets
- Gymnasium
- Indoor Pool
- Spa
- Sauna
- Freeview & DVD player
- Under cover car park
- Fully serviced



CBD & Sky Tower



Entrance



Bedroom 1



Bedroom 2



Auckland Domain



Pool



Rear Courtyard



Waiheke Island



Gymnasium



Living Room

FINANCIAL PERFORMANCE 2012

Revenue

The contribution rate remained unchanged and income was maintained with a slight increase in the number of contributors during the financial year. There were extensive promotions and high usage of the flexi stay homes this year coupled with the purchase of six new apartments in Wellington and a third home in Ohakune. As a result, net rental income for the year increased significantly compared to the previous year. The Trust's holiday home average occupancy was maintained throughout the year. Income was also received from three investment apartments in Wellington. Unfortunately, the financial market turmoil had a huge negative impact on the Trust's investment income for the year. There was a book gain on the sale of one under-utilised holiday home for this financial year.

Expenses

Financial assistance for healthcare was distributed at 4% more than in 2011. However, as per note 2 in the financial report, this distribution included GST of \$200k. Without the GST adjustment, distributions would be at the same rate as in the previous year. Holiday home expenditure on maintenance increased in line with budget and holiday makers' expectations. There were many more homes renovated this financial year compared to the previous year. Insurance costs also increased significantly after the Christchurch earthquake. Depreciation costs increased with the purchase of new apartments and homes. Operating expenses reduced slightly from the previous year. There was a change in the Trust's ACC industry classification code which resulted in an increased ACC Levy. There were additional commercial building expenses this year which are for Wellington investment apartments and retail space. Rent and occupancy costs were down from the previous year as the Trust moved its staff into its own premises in Lorne Street, Wellington. Depreciation expenses were much less than the previous year as much of the cost of developing the Marram On line software has been depreciated. Although the Trust attempts to break even, the net result of the Trust's income and expenditure was a deficit after tax of \$152,267 or \$265,800 if you exclude the gain on sale of holiday homes. The previous year saw a substantial surplus.

Financial Position as at 31 March 2012

As a result of the deficit, the Trust's equity decreased by approximately 0.5%, to \$26.2m. There was a large cash investment in the purchase of holiday homes and the Trust's office space. The Trust is in a very sound financial position.

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 2012, 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 2012. We expressed an unmodified audit opinion on those financial statements in our report dated 25 July 2012.

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 2012. 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 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 2012 are consistent, in all material respects, with those financial statements, in accordance with FRS-39: Summary Financial Reports.

Other Matter

The summary financial statements of Marram Community Trust for the year ended 31 March 2011 were audited by another auditor who expressed an unmodified opinion on those statements on 20 July 2011.

BDO Wellington

BDO WELLINGTON
25 July 2012
Wellington
New Zealand

Marram Community Trust Statement of Financial Performance For the Year Ended 31st March 2012

	2012 \$	2011 \$
Income		
Contributions		
Holiday Home Rentals	4,790,198	4,723,866
Commercial Rental Income	1,845,495	1,521,085
Investment Income	60,744	-
Unrealised Gain On Investments	718,280	885,466
Gain on Sale of Holiday Homes	(54,123)	375,566
Total Revenue	113,533	505,178
	<u>7,474,127</u>	<u>8,011,161</u>

	2012 \$	2011 \$
Less Benefits		
Financial Benefits	3,816,386	3,571,501
Donations	-	-
	<u>3,816,386</u>	<u>3,571,501</u>

	2012 \$	2011 \$
Less Holiday Home Expenses		
Power & Water		
Maintenance-Furnishings	213,660	214,947
Maintenance-Land & Buildings	170,027	93,127
Insurance	436,263	255,303
Property Software Service Contract	99,185	68,061
Rates & Land Lease	4,560	4,380
Property Consultants	248,509	219,641
Property Inspection & Travel	20,768	83,988
House Person Expenses	11,368	9,797
Depreciation	60,617	62,095
	<u>443,955</u>	<u>390,788</u>
	<u>1,708,912</u>	<u>1,402,127</u>

	2012 \$	2011 \$
Gross Surplus from Trading	1,948,829	3,037,533

	2012 \$	2011 \$
Less Expenses		
Accident Compensation Levy	21,684	3,649
Bank Charges	39,954	33,682
Board Expenses	2,319	3,884
Computer Expenses	217,973	211,557
Entertainment	70	58
Insurance	19,750	19,668
Interest Deductible	8,934	2,909
Investment Fee	51,177	54,081
Professional Fee	82,417	119,082
Marketing Expenses	11,299	10,164
Other Commercial Expenses	37,121	-
Office Administration Expenses	14,375	12,489
Postage	18,111	17,736
Printing, Stamps & Stationery	30,153	22,158
Publicity & Promotion	2,492	4,833
Rents	51,241	124,840
Staff Expenses	59,621	61,858
Staff Training	6,773	18,159
Telephone, Tolls & Internet	21,141	25,161
Travel - National	60	149
Travel - Sales & Marketing	1,729	2,022
Wages & Salaries	1,011,612	1,008,114
Depreciation - Commercial Buildings	41,513	-
Depreciation - Other	225,876	316,582
Loss on Disposal of Assets	13,728	33,801
Total Expenses	1,991,123	2,106,636

	2012 \$	2011 \$
Operating Surplus Before Tax	(42,295)	930,896
Taxation	109,972	44,016
Net Surplus After tax	(152,267)	886,879
Retained Earnings at Beginning of Year	26,425,248	25,538,369
Retained Earnings at End of Year	26,272,982	26,425,248

Marram Community Trust Statement of Changes In Equity For the Year Ended 31st March 2012

	2012 \$	2011 \$
Equity At Beginning of Year	26,425,248	25,538,369
Net Operating Surplus After Tax	(152,267)	886,879
Equity at End of Year	26,272,982	26,425,248

Marram Community Trust Statement of Financial Position As at 31st March 2012

	2012 \$	2011 \$
Current Assets	1,636,675	5,007,816
Non-Current Assets	25,658,184	22,108,612
Total Assets	27,294,859	27,116,428
Current Liabilities	849,207	691,179
Long Term Liabilities	172,670	-
Equity	26,272,982	26,425,248
Total Liabilities & Equity	27,294,859	27,116,428

Marram Community Trust Statement of Cash Flows For the Year Ended 31st March 2012

	2012 \$	2011 \$
Net Operating Cash flow	142,530	150,575
Net Investing Cash flow	(3,568,480)	(369,488)
Net Financing Cash flow	-	-
Net Cash flow	(3,425,950)	(218,913)

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

Jan O'Neill
Jan O'Neill - Chairperson

25/07/2012

Notes to the Summary Financial Report

The Summary Financial Report for Marram Community Trust (The Trust) for the year ended 31/3/2012 has been extracted from the full Financial reports. The full financial reports were authorised on 25 July 2012 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

- Subsequent Events. At balance date, Marram Community Trust had entered into an unconditional sale and purchase contract for the sale of a holiday property situated in Te Anau, with settlement on 30th April 2012.
- Contingent Asset. During the year, IRD advised Marram Community Trust that it was unable to claim input GST on benefit claims paid to contributors. It has subsequently approached IRD to confirm that it should therefore not be returning output tax on contributions that are received. GST has not been claimed on benefit claims since 16 November 2012. If successful, a contingent asset of \$199,595 may be available. This represents the GST returned on contributions since 16 November, 2011 to 31 March, 2012.

ANNUAL REPORT

CONTRIBUTOR FEEDBACK

OH HOW MARRAM HOLIDAY HOMES HAVE CHANGED!

Since I joined the Post Office in 1953 we have had 47 holidays in Marram houses (then known as "Post Office Welfare Cottages"). We will never forget the first one in 1964 at Picton. The "washhouse" was a separate shed at the back. It had a copper under which you had to light a fire to boil the water and two concrete tubs for rinsing, with a hand wringer attached. It was pretty hard work with two children in napkins (no disposables then). There was lino on the floors, no carpets.

The most memorable holiday to our children, was at Tokomaru Bay, which was an old ex-linesmen's house, almost on the beachfront. My youngest daughter wanted to go horse riding. We were told just to ask the local boys on the beach, who lent her a horse with no saddle; just an old blanket and a rope for the reins. She had a hair-raising ride after the lad slapped the horse's rump, when off she galloped down the beach! We fished through holes in the old wharf, carted driftwood for the open fire, and our son stripped down the old 2 stroke mower in the shed to enable us to mow the extensive lawn.

Yes, there have been great improvements since those days, e.g. carpets, modern kitchens and bathrooms with shower cabinets and microwave ovens.

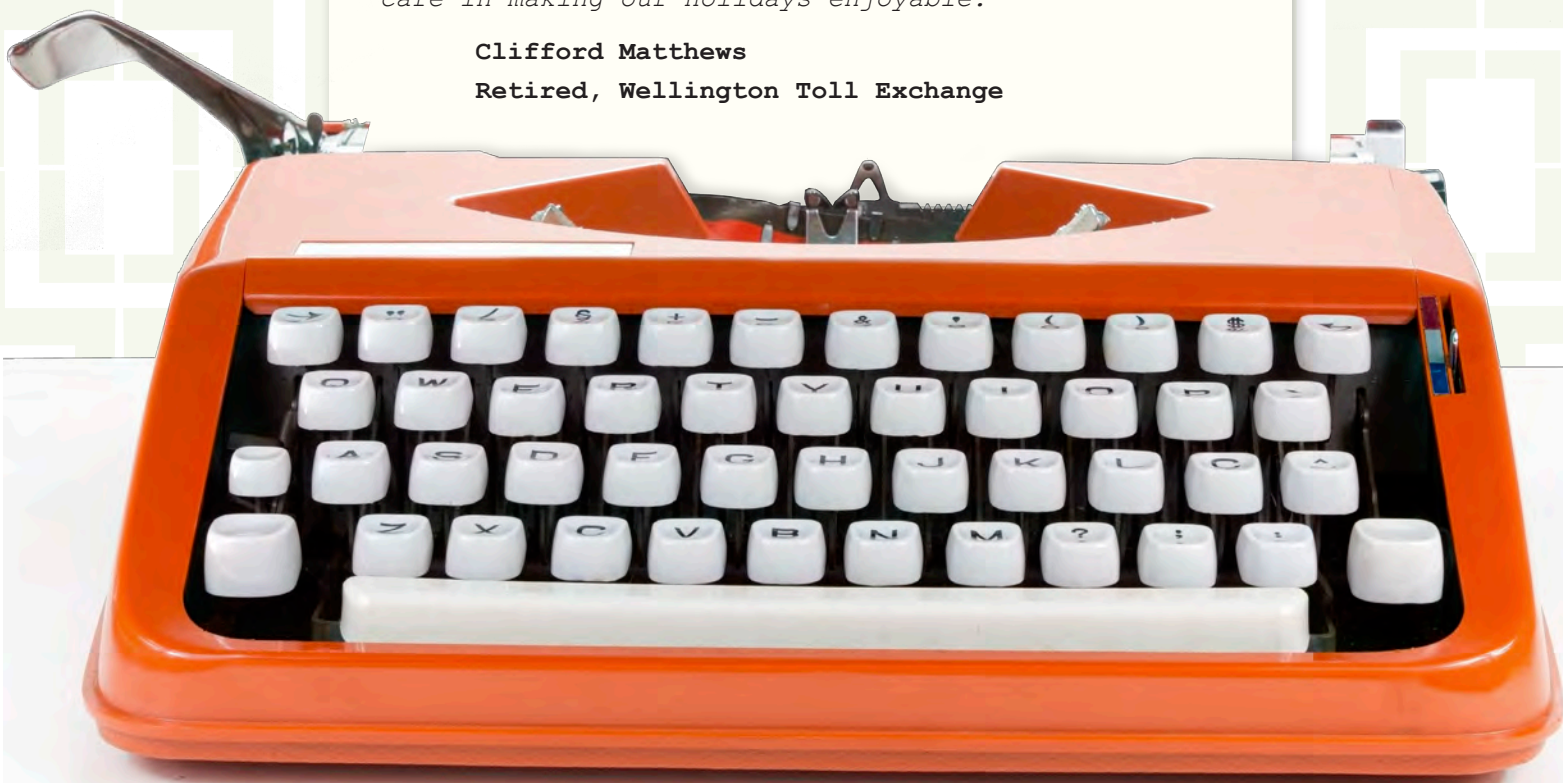
The great advance was agitator washing machines. Then came the "dreaded" Hoovermatic twin tubs. They were used for many years. The clothes would get all tangled up. It was just a dream when the fully automatic washing machines were introduced.

Our favourite location would probably be Rotorua, where we enjoy being central to so many interesting places, such as lakes, bush, mountains and thermal areas. It is just a day trip to Tauranga, Whakatane, Taupo etc.

Marram have made it so easy to book nowadays using their efficient website. You don't have to wait for your confirmation in the post. My compliments go to the House Persons, who voluntarily give their time and care in making our holidays enjoyable.

Clifford Matthews

Retired, Wellington Toll Exchange



CONTRIBUTOR NOTICES

REMEMBER 😊

There is no stand-down period for holiday home bookings. Homes can be booked directly following the first contribution payment we receive. The 3 month stand-down period only applies to the healthcare benefits.

Holiday Cancellations

Our office is closed from 4.30pm on a Friday and reopens at 8am on a Monday. If you need to cancel a booking during this time you can do this online by logging into the website. The cancellation fees that apply are the ones applicable on the day of the cancellation.

Do you know what you can be reimbursed for by Marram?

There are so many healthcare expenses you can be reimbursed for through Marram Healthcare. See below for more information. There are conditions/exclusions so for an up to date list of these and to download reimbursement forms 24/7, please refer to our website. **Please note Healthcare Reimbursements are not available to Lifetimers.**

Benefit	Description	%	Maximum
Doctor's consultation fees	Consultation with a registered medical practitioner.		
Prescription charges	Prescriptions by a registered medical practitioner.	60%	\$50 per visit
Optical care	Costs for optometrist consultation fees and purchase of contact lenses or glasses.	60%	\$1250 per condition, per person for a 2 year period.
Specialists	Consultation and treatment with a registered medical specialist as shown on the Medical Council of New Zealand.	100%	\$250 per person for a 2 year period. This starts from the first date of the previous optical expense.
X-Ray	Cost of x-rays.	75%	\$1250 per condition, per person for a 2 year period.
Scan Costs	Cost of MRIs, CAT scans, Mole maps, Mammograms and Ultrasounds.	60%	
Minor Surgery Fees	Cost of a minor operation if performed by a registered medical practitioner e.g. Skin excisions, liquid nitrogen treatments, etc.	75%	
Hospital Costs	Costs for treatment and stay at a hospital.	60%	
Laboratory tests	Costs for laboratory analysis.	60%	
Surgical Appliance Costs	Cost of personal medical equipment and prosthetics	100%	
Maternity Costs	Costs for obstetric care and delivery fees.	75%	
Travel Expenses	If you require approved treatment which is not available in your home town; such as a specialist appointment or a hospital admission, you are eligible for travel costs.	Flat rate of \$30 per trip	
Hearing Aid Costs	Cost of hearing aids.	N/A	
Home Help	To assist with costs of home help in the event of illness or multiple births.	N/A	
Alternative Therapists	Consultation fees for: Osteopath, Chiropractor, Naturopath, Dietician/Nutritionist, Audiologist, Homeopath, Psychologist, Podiatrist, Acupuncturist, Iridologist, Therapeutic massage, Chinese medicine	N/A	\$260 per year
Physiotherapy Costs	Costs for physiotherapy.	N/A	Up to \$20 per visit to a maximum of 10 visits per family per calendar year
Oral Surgery Costs	Costs of specific dental work, performed by a dentist or oral surgeon. Refer to our website for details.	60%	
Orthodontic Fees	Costs of orthodontic treatment.	60%	\$250 per tooth or treatment
Adoption Fees	Costs for the adoption of a child.	60%	\$600 per person
Special Schooling	Costs of special education needs, e.g. Autism, Dyslexia, Attention Deficit Disorder.	N/A	\$250 per completed adoption
Ambulance Costs	Cost of transportation by ambulance.	60%	\$1250 per condition, per person for a 2 year period.
Healthcare Grant	Financial assistance with looking after you and your family in difficult times.	60%	
		N/A	Funeral Benefit \$1000 Terminal Illness Grant \$1000 Distance Treatment Grant \$500 Convalescent Holiday Benefit \$275

Go to www.marram.co.nz for more details on the Healthcare Grant.

Introducing Marram's New Board members:



KIRAN PATEL- Employer Trustee on Marram Community Trust Board February 2012.

- Kiran is Head of Finance for the Operations business of New Zealand Post and is based in Wellington. He has been a Marram Contributor since 1997.
- Kiran's past experience has been in strategy, consulting, retail, business development and is currently leading the finance team to support New Zealand Post in implementing a future network model for the business.
- He is married with three children aged, 7, 5 and 3.
- His interests include golf, hockey, cycling, running, spending time with family and friends.



JOHN STEADMAN- Additional Trustee on the Marram Community Trust Board from July 2012.

- John works for Telecom New Zealand as a senior counsel supporting Gen-i, the Information Communications and Technology division of Telecom. He has worked as an in-house lawyer for Gen-i for the last five years and prior to this spent nine years in private practice in a variety of commercial and litigation roles. He also works as an instructor preparing young lawyers to sit the NZ bar exam.
- He has undergraduate degrees in history and law and a masters degree in law. John is admitted to the bar in both NZ and Australia.
- John has been a trustee of several charitable trusts in the past and enjoys being involved with organisations that enable him to assist others and meaningfully contribute to the community.
- John is married to Melissa and they have one young daughter, Grace.
- John's interests include action movies, computer games, playing with his daughter and being the whipping boy among his friends at tennis.

It is great to see so many of you recommending Marram to your colleagues. In the last referral competition 74 new people from our Affiliated Organisations joined! It's your benefit so it is great that many are taking up the opportunity to join Marram and use holiday homes at crazy low pricing as well as be reimbursed for your everyday healthcare!

Each week we get several organisations contacting us, as they want to be part of Marram as well. Understandably, someone is telling them how great it is! 😊 But most of the time they do not qualify as they don't fit the tight criteria set by the Marram Board of Trustees. So, yes, **this is your exclusive benefit!**

Congratulations to our latest winner of the referral competition. Carolynne Whitton from ANZ Bank Ltd, Waikanae took away the iPad Gen3 as her prize!

SO GET ON BOARD AND INTO THE NEW REFERRAL COMPETITION AND LET YOUR COLLEAGUES KNOW ABOUT THIS GREAT BENEFIT.

& REFER & WIN!

Refer a work colleague between **31 August and 14 September 2012** and you both go into the draw to win one of these great prizes. If you are the lucky winner, you can choose which one you want:

- **\$1000 Air New Zealand Gift Card**
- **iPad Gen3 32GB WiFi**
- **Samsung Galaxy SIII 16GB**

If you win, the choice is yours! All you need to do is go to www.marram.co.nz/forms.aspx 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 in to 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 and only applies to new or re-joining contributors, not those who are changing organisation. Competition drawn 26th October 2012 and winner notified. Marram's terms and conditions apply.



www.marram.co.nz

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