

Marram

Outlook

SPRING 2013

Magazine of the Marram Community

inside this issue

MOUNT MAUNGANUI

**MARRAM'S ALL YEAR ROUND HOLIDAY SPOT
AND OUR NEW HOUSE VOLUNTEER**

THE TRUST AT WORK

Annual Report

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facebook

**R E F E R
& W I N !**

Spring is in the air...

Greetings

F R O M

MOUNT MAUNGANUI

MARRAM'S ALL
YEAR ROUND
HOLIDAY SPOT!



With wonderful all-year-round weather, the Mount is a great place for a break and there is always plenty to do with year-round activities. Visit the famous Mount Maunganui Hot Salt Water Pools, the popular Mills Reef Winery, give white water rafting a go, or blokart sailing! There are six golf courses within 30 minutes and a further dozen within 1.5 hours drive. Downtown the Mount is the ultimate holiday, shopping and dining destination all year round. **Book today!**

**TWO
GREAT
LOCATIONS
14 homes**

**NEWLY
REFURBISHED**

**AFFORDABLE
holidays!**



Mills Reef Winery



Mt Maunganui
Hot Salt Water Pools





Sandy & Hubby

INTRODUCING SANDY HUME

OUR MT MAUNGANUI HOUSE VOLUNTEER!

Hi - I am Sandy the Volunteer for Mt Maunganui Marram units. I have been volunteering for Marram for over 9 years. I also work at Mt Maunganui College in the canteen, feeding a lot of hungry teenagers full time. I have a wonderful husband Rob, who helps me with the MAN jobs around the units and two grown children who when at home and needed pocket money, always put their hand up to help clean a unit or two. At the moment, we have two international students living with us, one from Brazil and the other from Italy, it certainly keeps life busy and interesting.

In the past nine years, I think I have probably seen and heard just about all the stories you could think of, from people locking themselves out of their units to flooding. But the other day was really nice when I was doing some work at the units, a young girl staying in a unit was on her scooter and she came up to me asking who I was and what I was doing. I explained to her that I looked after the unit she was staying in and she said to me "I wish I could live in your house all the time, I am having so much fun". I think that really sums up what Marram is all about, taking time out to rest and smell the wonderful sea air staying in the Marram holiday homes.

Looking after 14 units is a big task to take on and we are very thankful to have Sandy. Sandy goes out of her way to help people and to make sure that you have an enjoyable holiday. Everyone in the Marram community has high expectations of service delivery, especially when using our holiday homes nationwide. Our volunteers are the people out there 'on the ground', meeting and handling enquiries from the people who use our homes. They are not paid, they are VOLUNTEERS and without them we would not be able to offer holiday homes to you at such a low price.

MEET THE NEWBIES



Georgia

Recently, Georgia has joined Marram in our Enquiries Team. Georgia's background has been managing a McDonalds Restaurant and also worked in the ANZ Call Centre, servicing the Australian market - well we can all imagine how taxing that must have been dealing with the Aussies :-) and now to Marram - much easier dealing with the Kiwi's ☺..... so next time you call Marram, you may just get young Georgia to sort out your enquiry.



Erica

And more recently, Erica joined Marram, trading-in teaching for a hotspot in the Finance Team. Well, Mike her predecessor calls it a hotspot! She has traded in kids for numbers - I wonder what's more challenging??? Erica in her spare time enjoys photography and playing the guitar, so watch out "NZ's got Talent"! We may have "Marram's got Talent"!



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.
 Please note Healthcare Reimbursements are **not available to Liferimers.**

Benefit	Description	%	Maximum
Doctor's consultation fees	Consultation with a registered medical practitioner.	60%	\$50 per visit
Prescription charges	Prescriptions by a registered medical practitioner.	60%	\$1250 per condition, per person for a 2 year period.
Optical care	Costs for optometrist consultation fees and purchase of contact lenses or glasses.	100%	\$250 per person for a 2 year period. This starts from the first date of the previous optical expense.
Specialists	Consultation and treatment with a registered medical specialist as shown on the Medical Council of New Zealand.	75%	
X-Ray	Cost of x-rays.	60%	
Scan Costs	Cost of MRIs, CAT scans, Mole maps, Mammograms and Ultrasounds.	75%	
Minor Surgery Fees	Cost of a minor operation if performed by a registered medical practitioner e.g. Skin excisions, liquid nitrogen treatments, etc.	60%	\$1250 per condition, per person for a 2 year period.
Hospital Costs	Costs for treatment and stay at a hospital.	75% Specialist Fees 75% Anaesthetist Fees 60% Hospital Charges 100% Television Hire 60% Hospital & Bed charges (Max. \$120 per day)	
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	\$250 per aid
Home Help	To assist with costs of home help in the event of illness or multiple births.	N/A	\$260 per year
Alternative Therapists	Consultation fees for: Osteopath, Chiropractor, Naturopath, Dietician/Nutritionist, Audiologist, Homeopath, Psychologist, Podiatrist, Acupuncturist, Iridologist, Therapeutic massage, Chinese medicine	N/A	Up to \$20 per visit to a maximum of 10 visits per family per calendar year
Physiotherapy Costs	Costs for physiotherapy.	60%	\$250 per person for a 2 year period
Oral Surgery Costs	Costs of specific dental work, performed by a dentist or oral surgeon. Refer to our website for details.	60%	\$250 per tooth or treatment
Orthodontic Fees	Costs of orthodontic treatment.	60%	\$600 per person
Adoption Fees	Costs for the adoption of a child.	N/A	\$250 per completed adoption
Special Schooling	Costs of special education needs, e.g. Autism, Dyslexia, Attention Deficit Disorder.	60%	\$1250 per condition, per person for a 2 year period.
Ambulance Costs	Cost of transportation by ambulance.	60%	
Healthcare Grant	Financial assistance with looking after you and your family in difficult times.	N/A	Funeral Benefit \$1000 Terminal Illness Grant \$1000 Distance Treatment Grant \$500 Convalescent Holiday Benefit \$295

There are conditions/exclusions. For an up to date list and to download forms, please refer to our website.



Sub-Letting is a big NO NO!

WHY? If everyone was to book holiday homes for their friends or family, there would be no homes left for **you** to book. Marram is a unique employee benefit which aims to provide you and your immediate family with inexpensive holiday accommodation.

Our Holiday Home Conditions of Tenancy clearly state the following:-

*"You or your Spouse/Partner **must be resident** in the home throughout the term of the occupancy."*

"Homes must not be sub-let to any other person(s). If this occurs, Marram reserves the right to charge you a fine of up to \$5,000 for breaking of contract."

PARKING AVAILABLE AT HOLIDAY HOMES

Parking space is available for **ONE** car at each home. If you have more cars, please park on the road. Please make sure you do not use another holidaymaker's car park!



Reminder Contribution Increase

As communicated previously, from 1 September 2013, the Marram contribution rate will increase by 80c to \$7.30 per week.

We trust that you will continue to enjoy the great benefits that Marram has to offer, of low-cost holiday homes and everyday healthcare reimbursements for you and your family.

HEALTHCARE REIMBURSEMENTS

Please make sure that you submit your applications for reimbursement (and any further information we request) of your healthcare expenses, **within 12 months** of incurring the expense. Any receipts dated more than 12 months from the date they are received at the Marram office, will not be considered for reimbursement.

Pillows go walkabout!

When departing your value for money holiday home with Marram..... "Have you taken Marram's new comfy pillow home with you and left your old lumpy pillow for other Marram holidaymakers to use?" Believe it or not, we have some dishonest holidaymakers doing this and we do notice! We have also had some artwork taken from our Wellington Apartment. How embarrassed would you be, if you got caught and then were banned from using the holiday homes!

Cancelling Contributions

If you are no longer employed by an Affiliated Organisation and pay your contributions via direct debit, **please notify us**. This will enable us to stop making the deductions from your bank account. Please note that applications for a refund of overpaid contributions will only be considered for contributions made in the current financial year.

FINANCIAL PERFORMANCE 2013

Revenue

The contribution rate requested by the Board of Trustees remained unchanged throughout the financial year but the number of employees contributing to the Marram Community declined as several of the major employers reduced employee numbers. We continued with the holiday promotions, again there was high usage of the flexi-stay homes, under-utilised homes were sold and apartments were purchased in Auckland and Hamilton. As a result, net rental income for the year increased slightly compared to the previous year. The Trust's holiday home average occupancy was maintained throughout the year. Income was also received from the investment units in Wellington, New Brighton and Picton, and we filled the remaining Wellington commercial space at the end of the financial year. The Trust's managed funds performed better than in the previous year. There was depreciation recovered and a book gain on the sale of four under-utilised holiday homes for this financial year.

Expenses

Financial assistance for healthcare was distributed at a much higher rate than in the previous year. As per the note in the financial report, we were unable to claim input GST on the financial benefits distributed this year, yet continued to pay GST on the contributions received. This has now been resolved with no GST on contribution income or financial benefits starting next financial year. We expect the amount distributed to settle to a manageable level in the 2014 financial year but the Board of Trustees has taken the precaution of requesting an increase in contributions from the latter part of the 2014 year. Expenditure on holiday home maintenance increased in line with budget and holiday makers' expectations. There were also more homes renovated this financial year compared to the previous year. Material damage insurance costs decreased; as per the financial notes, the Trust set up its own prudential fund for insurance management. Depreciation costs increased with the purchase of new apartments and homes. Operating expenses increased only slightly from the previous year. We received a no claims discount for the ACC Levy. Computer expenses increased slightly as we established a disaster recovery solution in Auckland this year. The commercial building expenses were more this year as they were for a full financial year compared to eight months last year. On the other hand, maintenance on premises is low this year as the Trust moved into its own office in Te Aro, Wellington last year. Wages and salaries include a restructuring in the property team. The net result of the Trust's income and expenditure was a surplus after tax of \$726,583 or deficit of \$446,829 if you exclude the gain and depreciation recovered on the sale of holiday homes.

Financial Position as at 31 March 2013

As a result of the reported surplus, the Trust's equity increased by approximately 2.7%, to \$27m. The Trust remains in a sound financial position with the asset base increased compared to the previous year.

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 8, comprises the summary statement of financial position as at 31 March 2013, 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 2013. We expressed an unmodified audit opinion on those financial statements in our report dated 14 August 2013.

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 2013. 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 2013 are consistent, in all material respects, with those financial statements, in accordance with FRS-39: Summary Financial Reports.

BDO Wellington

BDO WELLINGTON
14 August 2013
Wellington
New Zealand

Marram Community Trust Consolidated Statement of Financial Performance For the Year Ended 31st March 2013

	2013	2012
	\$	\$
Income		
Contributions	4,753,363	4,790,198
Holiday Home Rentals	1,871,320	1,845,495
Commercial Rental Income	123,027	60,744
Investment Income	623,014	718,280
Unrealised Gain On Investments	344,011	(54,123)
Depreciation Recovered on Sale of Holiday Homes	78,922	-
Gain on Sale of Holiday Homes	1,094,490	113,533
Total Revenue	8,888,147	7,474,127

Less Benefits		
Financial Benefits	4,338,433	3,816,386
	4,338,433	3,816,386

Less Holiday Home Expenses		
Power & Water	211,820	213,660
Maintenance-Furnishings	165,388	170,027
Maintenance-Land & Buildings	505,247	436,263
Insurance	50,966	99,185
Property Software Service Contract	3,800	4,560
Rates & Land Lease	266,324	248,509
Property Consultants	18,769	20,768
Property Inspection & Travel	14,439	11,368
House Person Expenses	60,461	60,617
Depreciation	489,266	443,955
	1,786,480	1,708,912

Gross Surplus from Trading	2,763,234	1,948,829
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Less Expenses		
Accident Compensation Levy	10,360	21,684
Bank Charges	42,373	39,954
Board Expenses	1,294	2,319
Computer Expenses	235,175	217,973
Entertainment	52	70
Insurance	22,156	19,750
Interest Deductible	-	8,934
Investment Fee	37,281	51,177
Professional Fee	84,273	82,417
Marketing Expenses	10,499	11,299
Other Commercial Expenses	76,078	37,121
Office Administration Expenses	11,135	14,375
Postage	17,709	18,111
Printing, Stamps & Stationery	30,744	30,153
Publicity & Promotion	5,638	2,492
Premise Maintenance	19,462	51,241
Staff Expenses	59,013	59,621
Staff Training	9,970	6,773
Telephone, Tolls & Internet	21,309	21,141
Travel - National	78	60
Travel - Sales & Marketing	696	1,729
Wages & Salaries	1,053,809	1,011,612
Depreciation - Commercial Buildings	55,729	41,513
Depreciation - Other	228,637	225,876
Loss on Disposal of Assets	-	13,728
Total Expenses	2,033,470	1,991,123

Operating Surplus Before Tax	729,764	(42,295)
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Taxation	3,181	109,972
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Net Surplus After tax	726,583	(152,267)
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Retained Earnings at Beginning of Year	26,272,982	26,425,248
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Retained Earnings at End of Year	26,999,565	26,272,982
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Marram Community Trust Consolidated Statement of Changes In Equity For the Year Ended 31st March 2013

	2013	2013
	\$	\$
Equity At Beginning of Year	26,272,982	26,425,248
Net Operating Surplus After Tax	726,583	(152,267)
Equity at End of Year	26,999,565	26,272,982

Marram Community Trust Consolidated Statement of Financial Position As at 31st March 2013

	2013	2012
	\$	\$
Current Assets	1,487,737	1,636,675
Non-Current Assets	26,543,577	25,658,184
Total Assets	28,031,314	27,294,859
Current Liabilities	1,031,749	849,207
Long Term Liabilities	-	172,670
Equity	26,999,565	26,272,982
Total Liabilities & Equity	28,031,314	27,294,859

Marram Community Trust Consolidated Statement of Cash Flows For the Year Ended 31st March 2013

	2013	2012
	\$	\$
Net Operating Cash flow	(181,185)	142,530
Net Investing Cash flow	(53,531)	(3,568,478)
Net Financing Cash flow	-	-
Net Cash flow	(234,716)	(3,425,948)

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

Joe McCollum

Joe McCollum - Chairperson 14/08/13

Notes to the Summary Financial Report

1. Insurance Management. The Trust setup a prudential fund in Sevenaway Trustaide Limited. This fund has been setup as an insurance management vehicle to insure the Trust against any future losses on its building portfolio, except for apartments in Wellington City, Hamilton and Auckland City which are covered by the body corporate insurance policies. In order to build up reserves in Sevenaway Trustaide Limited \$10,000 per month is being added to the insurance management fund. This amount has been estimated based on historical claim experience, including frequency, severity, demographic factor and other actuarial assumptions. The Trust continues to have insurance cover for other business risks incurred in the usual course of its business.

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

2. Subsequent Events. During the year 2012 financial year, IRD advised the Trust that it was no longer able to claim input GST on healthcare benefits paid to contributors. The Trust subsequently approached IRD to confirm that it should therefore not be returning output tax on contribution income received. GST has not been claimed on healthcare benefits paid since 16 November 2011. This matter has subsequently been resolved. IRD agreed that the Trust no longer has to return output GST on the contribution income received effective 1 April 2013, on the condition that the Trust amend some of its documentation and website within six months to reinforce how the Trust operates within its Trust Deed. In particular that contributions are an unconditional gift to the Trust Board and that all benefits are distributed at the absolute discretion of the Board.

ANNUAL REPORT

THE TRUST AT WORK

What is the Marram Community Trust and how does it work?

We're often asked how the Trust operates. To answer the question, it's helpful to reflect on the Trust's objective and history. Established by the Post Office and its staff during the latter part of World War 2, the Post Office Welfare Trust, as it was called, had the objective of providing relief and maintenance for Post Office employees and their families. In the beginning, the relief and maintenance was aimed at alleviating suffering and poverty, especially employees returning disabled from their war service or for the families of those who didn't return. The provision of holiday accommodation and financial assistance dates right back to the beginning of the Trust.

Nowadays, the objective is still the same and the Trust Deed still refers to relief and maintenance but of course the focus is on the health and wellbeing of all employees who wish to be a part of the Marram Community. The Board of Trustees doesn't expect anyone to prove hardship when booking holiday accommodation and the provision of receipts to prove medical treatment is all that's required to support a request for financial assistance for your healthcare.

The Trust is governed by a Board of Trustees with a minimum of seven trustees. Three Employer Trustees are nominated by the three organisations directly descended from the Post Office i.e. NZ Post, Telecom and the ANZ Bank which bought Postbank. There are three Appointed Trustees selected from candidates who apply for the positions and the head of human resources at Telecom fills the non-voting chairman's role. The Board may also have Additional Trustees whenever additional skills and experience are required.

The Trust Board is registered in a similar way to an incorporated society so that all the assets and operations of the Trust are held in the name of the Trust Board rather than in the names of the individual trustees as you find with a family trust. However, despite being a registered charitable trust incorporated under the Charitable Trusts Act 1957, the Trust is not registered as a charitable entity under the Charities Act 2005 because there is a closed circle of people who benefit from the Trust and the beneficiaries don't have to prove hardship; the people who benefit from the Trust must work for, or have previously worked for an organisation related to the Post Office. Not being registered as a charitable entity means the Trust pays tax if it has a surplus on its holiday home rental or investments.

Many other employers have applied to be affiliated with the Marram Community for the benefit of their employees but each time the Board considers the requests, a decision has been made to keep the benefits of the Trust tightly held. However, there are still 28,000 people who may request a benefit from the Trust by way of low cost holiday accommodation or financial assistance for healthcare.

Regarding the healthcare, the Trust is not an insurance company. All financial assistance for healthcare is granted at the absolute discretion of the Board of Trustees. In practice, the Board establishes a distribution policy for the staff to implement. The Board aims to distribute as much money as the Trust can afford. To that end, the Trust is a not-for-profit organisation, aiming to distribute all it receives and sometimes more by using its reserves.

The Trust funds itself through asking employees to contribute money on a regular basis so the Trust can budget its activities, to pay a rental toward the cost of running the holiday homes and through investment income. Employees' contributions are donations or gifts to the Board of Trustees but they are called contributions so as not to give the impression they are tax deductible; they are not tax deductible because the Trust is not registered as a charitable entity. The Trust has no debts and in fact has money very conservatively invested through two fund managers to earn income.

The cost of operating the holiday homes is kept down by a network of house volunteers, kind people who go out of their way to inspect the homes and report damage, many making small repairs as they go. The house volunteers are a unique feature of the Trust, dating right back to its origins when the volunteers were all retired postal workers.

In 2013, the Trust operates mainly online, processing requests for holiday accommodation and financial assistance for healthcare through its web-based IT platform called Marram Online. We've enjoyed Marram Online for five years now, making it as easy as possible for people to interact with Marram. Although staff numbers have reduced since its introduction, there are still plenty of Marram staff members in Wellington keen to answer your correspondence and phone calls. We hope this gives you an insight into how the Marram Community Trust operates and into its rich history.

The Referral is back on!

REFER
WIN!



iPad mini – your chance to win!

Latest winners!

Congratulations to our latest winners of the referral competition: Rebecca Ash and Justin Hamilton from Davanti Consulting. Rebecca was drawn as our lucky winner and since Justin had referred her, they both took away an iPad mini.

All you need to do is refer a work colleague and you are both in the draw to win an iPad mini each!

So, refer a work colleague between **30 August 2013 & 13 September 2013** and you **both** go into the draw to win one of two iPad Minis 16GB. If either of you are drawn as the winner, **you both win**.

All your colleague needs to do is go to www.marram.co.nz and click on "Join Now" and complete the online application. When asked "How did you find out about Marram?" they select "Referred by Marram Contributor" and complete your name and organisation. Alternatively, get them to complete a joining application saying you referred them and send into Marram.

Contribute to Marram for \$7.30 per week (or less with a subsidy).

Holiday accommodation and financial assistance for healthcare.

Competition drawn 31 October 2013 and winner notified. Marram's terms and conditions apply.



MARRAM
FACEBOOK

It has been a year since we launched our Marram Facebook page and it has been going great with 2,800 following us! We hope our posts are keeping you up to date and we are loving your interaction with us.

So, if you haven't liked us on Facebook yet, go to www.facebook.com/MarramCommunityTrust and click on 'Like' now.

You will then see our latest news with special deals & promotions, what's happening with our homes, cancellations in 'hot spots'.....and of course a place for you to share your experiences with us.

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