

# **WHAREKAKA TRUST BOARD INCORPORATED**



**ANNUAL GENERAL MEETING 2021**



## WHAREKAKA TRUST BOARD INCORPORATED

### ANNUAL REPORT TO MEMBERS

2020-21

Firstly, I acknowledge those of our Wharekaka whanau who have passed away during the year. We extend our sympathies to their families and friends. In particular I would like to mention Heather Wall who passed away a few months ago. Heather and her husband Gary were among the very first members of Wharekaka in the early 1970s. Gary was one of the founding trustees and the trust's first treasurer. Heather was a founding member of the Ladies Auxiliary, as it was then called. Many years ago, Heather started the meals on wheels service and continued to support it until just a few months before she died.

The start of the 2020-21 financial year brought new and unexpected challenges for us all, as the full impact of COVID-19 lockdown kicked in over April and May 2020. This required adjustments to staffing, some changes in clinical practice, and no visitors, which was hard for residents and their families. There were also increased costs due to PPE and other requirements.

Our staff team were flexible and supportive throughout, moving quickly to reassure residents and families, and, overall, the home enjoyed a winter of exceptional 'wellness'. I am particularly proud that the meals on wheels service was continued and extended throughout lockdown, and staff provided remote support to our day residents who could not come into the home during that time

Due to Covid, across Wairarapa there were fewer admissions to residential care for several months. Unfortunately, the reduction in occupancy and increases in costs impacted our year-end financial operating result adversely. We hope for a better outcome in 2022, but note that as a small independent community Wharekaka will continue to have financial challenges.

The decisions of previous years, to move to hospital level care, and to build two more villas, have proved to be very wise. These developments have strengthened our financial base and enabled us to make ends meet so far. We have no debt. However, our financial challenge increases year on year as income from service fees set by DHBs slips ever further behind costs. We need to maintain and strengthen our fund raising.

Hence the launch, in mid-2020, of the Oak Tree Community. Our aim for the Oak Tree Community is to provide a guaranteed income stream to sufficiently achieve a substantial reduction in our annual operating deficit, if not close it completely. A good start has been made. Our sincere thanks to all those who have joined.

Staffing has been relatively stable and crisis free over recent months, under the able leadership of our facility manager, Jenny Prentice. Early in the year administrative duties were all consolidated into an expanded reception position, which Sally Adams fills with

exceptional efficiency and good cheer. In October we welcomed our new Clinical nurse manager, Mary Pope, whose experience and skill are invaluable. We are very fortunate to have such a strong team at the helm. The Trust Board has been delighted to observe that generally happy staff and residents and a warm and welcoming atmosphere are the norm at Wharekaka.

My fellow trustees are a hard-working group of men and women who all contribute hugely to the successful operation of Wharekaka. Particular thanks are due to Helen Meehan who drives our fund-raising strategy and was the initiator of the Oak Tree Community, and to John Errington, our insightful and conscientious treasurer, who has driven the modernization of our villa business and accounting practices. Both Helen and John put many hours into Wharekaka matters month after month.

We continue to receive exceptional support and services from the Martinborough Medical Centre, led by Dr Steve Philip, and our excellent local pharmacy. We are very appreciative of these services which are literally just across the road. Not all aged care facilities are so lucky.

We extend our warm thanks all of our residents, and their families, for their support during the year. We also acknowledge and thank the many local businesses and tradespeople who support us.

Finally, thank you to my fellow trustees, our manager, and our small, but very able, and caring team of staff. Your commitment and energy in serving Wharekaka over past year has been appreciated.

We look forward to year ahead in good heart. 2022 will be a Wharekaka's 50<sup>th</sup> year, an important milestone in the history of the Wharekaka Trust, and an opportunity to reflect and consider how we will go forward for the next fifty years.

Joy Cooper

Chair, Wharekaka Trust Board

# **Performance Report**

Wharekaka Trust Board Incorporated  
For the year ended 31 March 2021

Prepared by RightWay Limited

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# Entity Information

## Wharekaka Trust Board Incorporated For the year ended 31 March 2021

### Legal Name of Entity

Wharekaka Trust Board Incorporated

### Entity Type and Legal Basis

Wharekaka Trust is a Charitable Trust established under the Charitable Trust Act 1957 and is a registered charity under the Charities Act 2005.

### Registration Number

CC30989

### Entity's Purpose or Mission

Wharekaka Trust Board Incorporated provides residential and nursing care for the aged in the Martinborough district and community health services for the benefit of the people of the Martinborough district.

The Trust's vision is to enable our Wharekaka community to live fulfilled lives.

The Trust's mission is to provide holistic, comprehensive and dedicated care for our residents while promoting their independence in a warm and friendly home environment.

The Trust's values are:

- Mutual respect and inclusiveness
- Consistency, fairness and transparency
- Valuing our partnerships
- Empathy and support to our residents and staff
- Integrity, honesty and trust
- Respect for diversity

The Trust's values are articulated in a published Code of Conduct that applies to the Board, Staff, Residents and those directly involved with the day to day operations at Wharekaka.

### Entity Structure

The Wharekaka Trust Board incorporated is a community based charitable trust registered under the Charitable Trusts Act 1957. It is also registered as a charity with the Inland Revenue and the Charities Commission. The Trust Board is registered with the Retirement Villages Association.

The Trust was formed on an informal basis in 1971 to provide respite care for the elderly of Martinborough and surrounding district. The premises used were then the recently closed maternity home in Martinborough. In 1973 a Trust Deed was established and the Trust then acquired the site from the NZ government with the obligation to continue providing services for the elderly of the area.

Wharekaka Rest Home is situated at Oxford Street, Martinborough and operates an aged care facility for up to twenty residents in the home and twelve stand alone self-care villas. It also provides Respite Care, Health Recovery Care and Meals on Wheels services to Martinborough, Featherston and Greytown communities.



The configuration of bed status at Wharekaka is nine rest home beds, six hospital beds and five swing beds (may be used for hospital or rest home care) rooms.

The rest home provides ten standard rooms, seven rooms with partial ensuites and three rooms with full ensuite services. It also contains a recreational day room, dining room, deck sitting area, outside sun area, and gardening facilities.

The Trust Board is charged with running, (achieved by delegation to the General Manager), and governing Wharekaka. The Board consists of the Chair, Deputies, Treasurer and Members, with a current membership of eight.

The current members of the governing body are:

Joy Cooper (Chairperson)

Andrew Sutherland (Deputy Chairperson)

Elizabeth Stevens (Deputy Chairperson)

John Errington (Treasurer)

Helen Meehan

John Bath

Anna Reed

Kirsty Shepherd

### **Main Sources of Entity's Cash and Resources**

Wharekaka Trust Board Incorporated relies on:

- Hospital Level Care occupancy
- Rest Home bed occupancy
- Meals on wheels
- Income derived from villa licence maintenance fees
- Return on investments
- The sale of villa Occupation Right Agreements
- Donations
- Bequests
- Grants from funding bodies

### **Main Methods Used by Entity to Raise Funds**

The Trust operates a significant fund raising programme to encourage individuals and families to donate in one or more ways:

- Regular monthly giving through membership of the Oak Tree Community
- Through a setting up a bequest
- Making a donation to Wharekaka Endowment Fund
- Making a one-off donation directly to Wharekaka

The Trust also seeks grants from funding bodies to assist with expenses of specific projects.



**Entity's Reliance on Volunteers and Donated Goods or Services**

Volunteers play a valuable role at Wharekaka, including:

- Afternoon tea roster
- Donation of produce to our kitchen
- Organising fundraising events

**Physical Address**

20 Oxford Street, Martinborough 5711

**Postal Address**

PO Box 127, Martinborough 5741

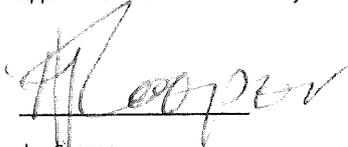


## Approval of Financial Report

Wharekaka Trust Board Incorporated  
For the year ended 31 March 2021

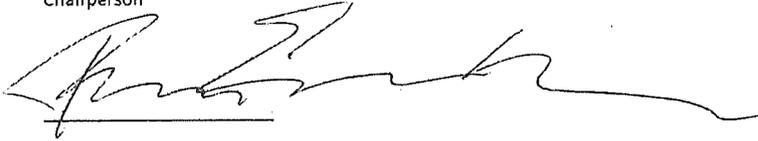
The Board of Trustees are pleased to present the approved financial report including the historical financial statements of Wharekaka Trust Board Incorporated for year ended 31 March 2021.

Approved this 14<sup>th</sup> day of July 2021.



Joy Cooper

Chairperson



John Errington

Treasurer

# Statement of Service Performance

## Wharekaka Trust Board Incorporated For the year ended 31 March 2021

### Description of Entity's Outcomes

The Trust provides:

- Long-Term Rest Home and Hospital level care
- Short term residential care for respite (including palliative respite care) and health recovery
- Day care within the residential facility
- Supported accommodation in villas for independent living
- Meals on wheels delivered to Featherston, Greytown and Martinborough

	2021	2020
<b>Description and Quantification of the Entity's Outputs</b>		
Average Occupancy %	92	94
Number of Beds	20	20
Number of Day Care Attendances	386	185
Number of Meals on Wheels Delivered	6,939	5,691
Number of Villas	12	12

The Trust aims for average bed occupancy of 95%. This target was not met in 2021, although 92% was achieved, which is above the industry average.

To achieve a financially sustainable organization the Trust Board works to maintain strong community involvement and support, including financial support. It is not possible to achieve operational break-even on an annual basis under current funding and operating conditions. In the 2021 year an operational deficit of \$158,720 is recorded. The result for the 2020 year was an operational deficit of \$115,896. The increased operational deficit is due to slightly lower occupancy and changes resident mix, with fewer hospital, and more rest home residents in 2021 than in 2020.

During 2021 the Trust Board established the Oak Tree Community. This is a community of committed regular donors. The rollout of the Oak Tree Community is at early stage, and is expected to grow in future years. The Trust Board also seeks one-off donations and bequests both directly to Wharekaka, and as gifts to its Endowment Fund (perpetual fund), which is managed by the Nikau Foundation.

The Wharekaka Auxiliary is a vital part of Wharekaka support structure. Auxiliary members provide hands-on practical assistance through the afternoon tea roster, support to the Activities programme, and in some specific volunteer roles, and most importantly are key players in Wharekaka's fund-raising programme.

The Trust Board has an active programme of grant applications, to seek funding support for various projects.

	2021	2020
<b>Additional Output Measures</b>		
Number of Members - Oak Tree Community	33	-
Number of Members - Wharekaka Auxiliary	17	20



### Grants and Gifts Received in 2021

Donor/Grant Giving Entity	Amount	Purpose
South Wairarapa District Council	\$10,000	Towards costs of emergency water supply project
T G McCarthy Trust	\$5,000	To enable upgrade of IT system
Featherston Community Board	\$500	Support for Meals on wheels costs
Greytown Community Board	\$500	Support for Meals on wheels costs
South Wairarapa Rotary Club	\$4,520	To enable purchase of new commercial washing machine and dryer
Martinborough Lions	\$500	Purchase and installation of outdoor lighting
Martinborough Menz Shed	\$150	Unspecified

### Gifts and donations from the Wharekaka Auxiliary

During the 2021 year the Wharekaka Auxiliary raised and provided funds to Wharekaka and its foundation, to a total amount of \$33,297.

\$13,297 was gifted directly to Wharekaka, to enable the purchase of the several essential items, including: a ramp, bain marie, hybrid power mattress, a flex relax chair, and to fund the completion of the emergency water supply project.

\$20,000 was gifted to the Wharekaka Endowment Fund.

### Wharekaka Endowment Fund

The Wharekaka Endowment Fund was established in 2019, in partnership with the Nikau Foundation, the fund will support the future sustainability of Wharekaka. The fund has shown considerable growth over the year.

	2021	2020
<b>Wharekaka Endowment Fund Balance</b>		
Wharekaka Endowment Fund	93,311	59,968



# Statement of Financial Performance

Wharekaka Trust Board Incorporated  
For the year ended 31 March 2021

	NOTES	2021	2020
<b>Revenue</b>			
Donations, Fundraising and Other Similar Revenue	1	147,326	66,106
Fees, Subscriptions and Other Revenue from members	1	276	236
Revenue from Providing Goods or Services	1	1,305,076	1,349,147
Interest, Dividends and Other Investment Revenue	1	118	1,476
Other Revenue	1	145,688	123,121
<b>Total Revenue</b>		<b>1,598,484</b>	<b>1,540,086</b>
<b>Expenses</b>			
Administration and Overhead Costs		159,168	122,933
Costs Related to Providing Goods or Service		310,137	371,229
Expenses Related to Public Fundraising		459	3,933
Volunteer and Employee Related Costs		1,206,899	1,080,999
Depreciation		79,947	76,114
Loss on Sale of Fixed Assets		-	310
Amortisation		593	464
<b>Total Expenses</b>		<b>1,757,204</b>	<b>1,655,982</b>
<b>Surplus/(Deficit) from Operations</b>		<b>(158,720)</b>	<b>(115,896)</b>
<b>Change in Value of Occupation Right Agreements</b>			
Occupation Right Agreement Fair Value Movement	8	9,375	(165,000)
<b>Total Change in Value of Occupation Right Agreements</b>		<b>9,375</b>	<b>(165,000)</b>
<b>Surplus/(Deficit) for the Year</b>		<b>(149,345)</b>	<b>(280,896)</b>



These financial statements should be read in conjunction with the Statement of Accounting Policies and the Notes to the Performance Report.

# Statement of Financial Position

Wharekaka Trust Board Incorporated

As at 31 March 2021

	NOTES	31 MAR 2021	31 MAR 2020
<b>Assets</b>			
<b>Current Assets</b>			
Bank Accounts and Cash	2	261,891	236,752
Debtors and Prepayments	2	124,999	137,183
<b>Total Current Assets</b>		<b>386,890</b>	<b>373,934</b>
<b>Non-Current Assets</b>			
Intangibles	2	4,383	4,847
Property, Plant and Equipment	4	4,224,933	3,552,159
<b>Total Non-Current Assets</b>		<b>4,229,316</b>	<b>3,557,006</b>
<b>Total Assets</b>		<b>4,616,206</b>	<b>3,930,940</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Creditors and Accrued Expenses	3	113,039	146,070
Employee Costs Payable	3	93,013	116,298
Other Current Liabilities	3	1,096	2,166
<b>Total Current Liabilities</b>		<b>207,148</b>	<b>264,534</b>
<b>Non-Current Liabilities</b>			
Villa Construction Loan	3	-	175,805
Occupation Rights Agreement Provision	8	3,338,250	3,032,625
Income In Advance	3	524,382	474,671
Other Non Current Liabilities	3	2,400	1,346
<b>Total Non-Current Liabilities</b>		<b>3,865,032</b>	<b>3,684,446</b>
<b>Total Liabilities</b>		<b>4,072,180</b>	<b>3,948,980</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>544,026</b>	<b>(18,040)</b>
<b>Accumulated Funds</b>			
Accumulated Surpluses or (Deficits)	5	(1,264,004)	(1,114,660)
Revaluation Reserves	5	1,808,030	1,096,620
<b>Total Accumulated Funds</b>		<b>544,026</b>	<b>(18,040)</b>



These financial statements should be read in conjunction with the Statement of Accounting Policies and the Notes to the Performance Report.

## Statement of Cash Flows

Wharekaka Trust Board Incorporated  
For the year ended 31 March 2021

	2,021	2020
<b>Cash Flows from Operating Activities</b>		
Donations, Fundraising and Other Similar Receipts	147,326	66,106
Fees, Subscriptions and Other Receipts from members	276	87
Receipts from Providing Goods or Services	1,345,537	1,333,661
Interest, Dividends and Other Investment receipts	118	1,476
GST	6,019	794
Payments to Suppliers and Employees	(1,750,648)	(1,511,908)
<b>Total Cash Flows from Operating Activities</b>	<b>(251,372)</b>	<b>(109,784)</b>
<b>Cash Flows from Investing and Financing Activities</b>		
Receipts from Sale of Occupation Right Agreements	509,375	518,749
Received - Loans	76,988	541,763
Loans - Repaid	(257,594)	(377,814)
Payments to Acquire Property, Plant and Equipment	(52,258)	(647,646)
Funds Held on Behalf of Others		1,956
<b>Total Cash Flows from Investing and Financing Activities</b>	<b>276,511</b>	<b>37,008</b>
<b>Net Increase/ (Decrease) in Cash</b>	<b>25,139</b>	<b>(72,776)</b>
<b>Cash Balances</b>		
Cash and cash equivalents at beginning of period	236,752	309,528
Cash and cash equivalents at end of period	261,891	236,752
<b>Net change in cash for period</b>	<b>25,139</b>	<b>(72,776)</b>



These financial statements should be read in conjunction with the Statement of Accounting Policies and the Notes to the Performance Report.

# Statement of Accounting Policies

## Wharekaka Trust Board Incorporated For the year ended 31 March 2021

### Basis of Preparation

The entity has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

### Goods and Services Tax (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

### Income Tax

Wharekaka Trust Board Incorporated is not subject to New Zealand income tax as it is a registered charity under the Charities Act 2005.

### Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash, bank accounts and deposits held at call with banks.

### Revenue

Revenue is accounted for as follows:

#### **Revenue from Providing Goods and Services**

Revenue from residents fees and licenses is recognised as agreed upon services have been provided.

#### **Donations, Fundraising and Other Similar Revenue**

Donations, fundraising and bequests with no use or return conditions attached are recorded as revenue when cash is received.

#### **Subscriptions**

Life memberships received are initially recognised in the Statement of Financial Position as Income Received in Advance and are then recognised as revenue in the Statement of Financial Performance over ten years.

All other subscriptions are recognised as revenue in the year that they are received.

#### **Interest**

Interest revenue is recognised on an accrual basis.

#### **Other Revenue: Occupation Right Agreement Exit Fees**

An exit fee payment is payable by residents upon termination of occupation right agreements. The exit fee is calculated as a percentage of the occupation right agreement sale price, based on individual contracts. The exit fee is recognised in the Statement of Financial Performance over the expected length of stay of residents, which is currently estimated at 6 years, being the Trust's best estimate based on industry average and past experience.

### Accounts Receivable

Accounts receivable are recorded at estimated realisable value, impairment is recorded where collection is doubtful.



### Prepayments

Prepayments are recorded where the Trust pays in advance of a good or service being received.

### Employee Costs

Employee costs payable are measured based on current rates of pay. Employee costs payable are salary, wages accrued up to balance date and annual leave earned but not taken at balance date.

### Property, Plant and Equipment

Property, plant and equipment are shown at cost or valuation less any accumulated depreciation and impairment losses.

The Trust has elected to adopt Tier 2 PBE IPSAS 17 in relation to the revaluation of land and buildings. Land and buildings are revalued every three years to the latest rateable value. This is an approved basis for revaluation under PE IPSAS 17. Revaluations are depreciated.

### Depreciation

Depreciation is provided for on a straight-line basis on all property, plant and equipment (except land) to spread the cost of the asset, less any estimated residual value, over the expected useful life of the asset. The depreciation rates associated with major classes of property, plant and equipment have been applied as follows:

- Buildings 2%
- Motor Vehicles 21%
- Furniture and Fittings 7-67%
- Plant and Equipment 5-100%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

### Branding Costs

Branding costs are recorded at cost less accumulated amortisation. Amortisation is applied at a rate of 7%.

### Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.



# Notes to the Performance Report

## Wharekaka Trust Board Incorporated For the year ended 31 March 2021

	2021	2020
<b>1. Analysis of Revenue</b>		
<b>Donations, Fundraising and Other Similar Revenue</b>		
Bequests Received	50,000	-
Donations Received	81,326	24,106
Grants Received	16,000	42,000
<b>Total Donations, Fundraising and Other Similar Revenue</b>	<b>147,326</b>	<b>66,106</b>
<b>Fees, Subscriptions and Other Revenue from members</b>		
Subscriptions Income - Annual	30	87
Subscriptions Income - Life	246	150
<b>Total Fees, Subscriptions and Other Revenue from members</b>	<b>276</b>	<b>236</b>
<b>Revenue from Providing Goods or Services</b>		
Day Care	11,025	8,492
General Recharges	1,561	739
Meals on Wheels	55,515	45,533
Respite Care	13,637	7,903
Resthome	1,142,968	1,219,428
Villa Fees	80,371	67,051
<b>Total Revenue from Providing Goods or Services</b>	<b>1,305,076</b>	<b>1,349,147</b>
<b>Interest, Dividends and Other Investment Revenue</b>		
Interest Received	118	1,476
<b>Total Interest, Dividends and Other Investment Revenue</b>	<b>118</b>	<b>1,476</b>
<b>Other Revenue</b>		
Amortisation of Resident's Exit Fees	124,076	72,432
Exit Fee Not Previously Recognised	21,612	50,689
<b>Total Other Revenue</b>	<b>145,688</b>	<b>123,121</b>
	2021	2020

## 2. Analysis of Assets

<b>Bank Accounts and Cash</b>		
ANZ Bank Cheque Account 00ac	222,786	158,047
ANZ Bank Debit Account 00ac	476	-
ANZ Bank Residents Account 50ac	1,006	1,109
ANZ Premium Call Account 02ac	28,191	68,172
BNZ Bank Savings Account 25ac	8,521	8,516
BNZ Rapid Savings Account	912	908
<b>Total Bank Accounts and Cash</b>	<b>261,891</b>	<b>236,752</b>
<b>Debtors and Prepayments</b>		
Accounts Receivable	46,721	102,144
Prepayments	40,371	25,300



	2021	2020
Sundry Debtors	37,908	9,739
<b>Total Debtors and Prepayments</b>	<b>124,999</b>	<b>137,183</b>
<b>Intangible Assets</b>		
Branding	6,625	6,625
Accumulated Amortisation	(2,241)	(1,778)
<b>Total Intangible Assets</b>	<b>4,384</b>	<b>4,847</b>
	2021	2020

### 3. Analysis of Liabilities

#### Creditors and Accrued Expenses

Accounts Payable	81,385	61,438
GST	12,068	7,224
Sundry Creditors	8,086	77,409
Unearned Income	11,500	-
<b>Total Creditors and Accrued Expenses</b>	<b>113,039</b>	<b>146,070</b>

#### Employee Costs Payable

Provision for Holiday Pay	83,222	68,828
Wages Accrued to Balance Date	9,791	47,469
<b>Total Employee Costs Payable</b>	<b>93,013</b>	<b>116,298</b>

#### Other Current Liabilities

Family transfers for Resident Personal Spending Trust Account	1,096	2,166
<b>Total Other Current Liabilities</b>	<b>1,096</b>	<b>2,166</b>

#### Villa Construction Loan

BNZ Villa Loan 002	-	175,805
<b>Total Villa Construction Loan</b>	<b>-</b>	<b>175,805</b>

#### Occupancy Right Agreements Provision

Brassell Villas Unexpired Occupation Licence	457,500	465,000
Sackville Street Villas Unexpired Occupation Licence	1,125,000	1,125,000
Suez Street Villas Unexpired Occupation Licence	1,755,750	1,442,625
<b>Total Occupancy Right Agreements Provision</b>	<b>3,338,250</b>	<b>3,032,625</b>

#### Income in Advance

Income Received in Advance - Exit Fees	524,382	474,671
<b>Total Income in Advance</b>	<b>524,382</b>	<b>474,671</b>

#### Other Non-Current Liabilities

Unexpired Life Subscriptions	2,400	1,346
<b>Total Other Non-Current Liabilities</b>	<b>2,400</b>	<b>1,346</b>



	2021	2020
<b>4. Property, Plant and Equipment</b>		
<b>Land</b>		
Land	1,985,000	1,135,000
<b>Total Land</b>	<b>1,985,000</b>	<b>1,135,000</b>
Opening Book Value	1,135,000	1,135,000
Revaluation	850,000	-
Closing Book Value	1,985,000	1,135,000
<b>Buildings</b>		
Buildings	2,133,805	2,354,824
Accumulated Depreciation - Buildings	(23,713)	(89,054)
<b>Total Buildings</b>	<b>2,110,092</b>	<b>2,265,771</b>
Opening Book Value	2,265,770	1,690,438
Additions	22,427	609,351
Current Year Depreciation	(39,515)	(35,014)
Revaluation	(138,590)	-
Closing Book Value	2,110,092	2,265,770
<b>Motor Vehicles</b>		
Vehicles Owned	28,794	28,794
Accumulated Depreciation - Vehicles Owned	(25,102)	(21,439)
<b>Total Motor Vehicles</b>	<b>3,691</b>	<b>7,354</b>
Opening Book Value	7,354	11,045
Current Year Depreciation	(3,663)	(3,690)
Closing Book Value	3,691	7,354
<b>Furniture and Fittings</b>		
Furniture and Fittings Owned	134,450	133,403
Accumulated Depreciation - Furniture and Fittings Owned	(120,171)	(114,423)
<b>Total Furniture and Fittings</b>	<b>14,279</b>	<b>18,980</b>
Opening Book Value	18,980	21,349
Additions	1,047	7,258
Current Year Depreciation	(5,748)	(9,627)
Closing Book Value	14,279	18,980
<b>Plant and Equipment</b>		
Plant & Machinery Owned	350,985	333,805
Accumulated Depreciation - Plant & Machinery Owned	(239,114)	(207,757)
<b>Total Plant and Equipment</b>	<b>111,871</b>	<b>126,048</b>
Opening Book Value	126,048	94,744
Additions	18,373	59,283
Current Year Depreciation	(32,550)	(27,979)
Closing Book Value	111,871	126,048
<b>Total Property, Plant and Equipment</b>	<b>4,224,933</b>	<b>3,552,158</b>



Rateable value of land and buildings as at 1 September 2020 are:

- 7-9 Suez Street, Martinborough (Resthome): Land value \$1,040,000, Capital value \$1,200,000.
- 22 Oxford Street, Martinborough (10 Suez Street Villas): Land value \$350,000, Capital value \$1,160,000.
- 19 Sackville Street, Martinborough (Sackville Street Villas): Land value \$375,000, Capital value \$1,060,000.
- 16A - 16B Sackville Street, Martinborough (Brassell Villas): Land value \$123,000, Capital value \$191,820
- 1/9 & 2/9 Suez Street, Martinborough - Land value \$97,000, Capital value \$508,180.

	2021	2020
<b>5. Analysis of Accumulated Funds</b>		
<b>Accumulated Surplus (Deficit)</b>		
Opening Balance	(1,114,660)	(833,764)
Current Year Earnings	(149,345)	(280,896)
<b>Total Accumulated Surplus (Deficit)</b>	<b>(1,264,005)</b>	<b>(1,114,660)</b>
<b>Revaluation Reserve Balance</b>		
Opening Balance	1,096,620	1,096,620
Current Year Revaluation	711,410	-
<b>Total Revaluation Reserve Balance</b>	<b>1,808,030</b>	<b>1,096,620</b>
<b>Total Analysis of Accumulated Funds</b>	<b>544,025</b>	<b>(18,040)</b>

## 6. Commitment

There are no known commitments as at 31 March 2021 (2020: The Trust was completing the construction of 2 new villas with a total cost of \$606,182. These were completed in the 2021 financial year)

## 7. Contingent Liabilities and Guarantees

The Trust may agree to take over the Occupation Right Agreement (ORA) on termination of the Agreement. The price the Trust pays for the ORA on a Villa must not be lower than the current market price or the price offered by a prospective buyer, whichever is greater. In the event that the Trust chooses to purchase an ORA the timing and value of the purchase are uncertain.

To date the Trust has never offered to purchase an ORA and has no immediate intentions to do so.

The Trust has not provided any guarantees to any other person or entity.

## 8. Occupation Right Agreements Provision

The provision is the present value liability based on management's best estimate of future anticipated cash flows to current resident's in accordance with the terms of current Occupation Right Agreements.

<b>Gross balance of provision</b>	<b>2021</b>	<b>2020</b>
Opening balance	3,032,625	2,582,625
Movement due to change in estimated fair value of units	(9,375)	165,000
Increase upon commencement of new arrangements	315,000	285,000
<b>Closing balance</b>	<b>3,338,250</b>	<b>3,032,625</b>

*Key estimates used in determining the Occupation Right Agreement provision balance:*

Length of stay by residents (years)	6	7
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Total number of units occupied	12	11
Estimated market value of units		
Brassell Villas	310,000	310,000
Suez Street Villas	367,500	365,000
Sackville Street Villas	375,000	375,000
New Suez Street Villas	420,000	380,000

### 9. Income Received in Advance - Exit Fees

	2021	2020
Opening Balance	474,671	363,794
Exit Fees Recognised as Income in the Year	(124,076)	(72,432)
Increase Upon Commencement of New Agreements	162,438	183,309
Prior Year Adjustment	11,349	-
<b>Closing Balance</b>	<b>524,382</b>	<b>474,671</b>

The exit fee is included in the original purchase price of the Occupation Right Agreement and these fees are deducted from the amount payable by the Trust to the resident upon termination of the Occupation Right Agreement. On initial receipt of consideration paid by the resident, a portion of that fee is allocated to exit fee income received in advance. The balance is recognised as income over the estimated stay of the resident at each unit.

### 10. Securities

The BNZ Bank holds a First Registered Mortgage over the property at 20 Oxford Street, Martinborough, Certificate of Title number WN686/14.

### 11. Related Parties

RightWay Limited and Wharekaka Trust Board Incorporated are related parties as David Shaw was the Treasurer for Wharekaka Trust board Incorporated and director and shareholder of RightWay Limited from the start of the year to end of August 2020 when he resigned.

Joy Cooper (Chair) is a Board member of Wairarapa DHB who contract Wharekaka to provide Health Services.

### 12. Goods or Services in Kind Provided to the Entity

Goods or Services in kind are provided to the Trust but are unable to be quantified for financial reporting purposes.

### 13. Events After the Balance Date

There were no significant post balance date events that would affect the financial statements.

### 14. Grants and Donations with Conditions Attached

The Trust had not received and grants with conditions attached that were not fulfilled at balance date (2020: nil).



## 15. Going Concern

These financial statements have been prepared on the basis that the Trust Board is a going concern.

## 16. Villa Profit or Loss Account

	2021	2020
<b>Revenue</b>		
Licence & Maintenance Charge	80,371	67,051
<b>Total Revenue</b>	<b>80,371</b>	<b>67,051</b>
<b>Expenses</b>		
Insurance	9,118	9,982
Legal Fees	10,623	7,350
Rates	24,079	17,168
Refurbishment	8,255	18,682
Repairs - Building	9,958	17,077
Repairs - Gardens, Windows & Lawns	2,208	410
<b>Total Expenses</b>	<b>64,241</b>	<b>70,669</b>
<b>Non Cash Expenses</b>		
Depreciation - Villas	34,821	27,940
<b>Total Non Cash Expenses</b>	<b>34,821</b>	<b>27,940</b>
<b>Other Income</b>		
Amortisation of Resident's Exit Fees	124,076	72,432
Exit Fee Not Previously Recognised	21,611	50,689
<b>Total Other Income</b>	<b>145,687</b>	<b>123,121</b>
<b>Total Villa Profit or Loss Account</b>	<b>126,996</b>	<b>91,563</b>



**INDEPENDENT AUDITOR'S REPORT*****To the Beneficiaries of Wharekaka Trust Board Incorporated*****Report on the Performance Report****Opinion**

We have audited the performance report of Wharekaka Trust Board Incorporated which comprises the entity information, the statement of service performance, the statement of financial performance, and statement of cash flows for the year ended 31 March 2021, the statement of financial position as at 31 March 2021, and the statement of accounting policies and other explanatory information.

In our opinion:

- (a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- (b) the accompanying performance report on pages 3 to 5 and pages 7 to 19 present fairly, in all material respects,
  - the entity information for the year then ended;
  - the service performance for the year then ended; and
  - the financial position of Wharekaka Trust Board Incorporated as at 31 March 2021, and its financial performance and cash flows for the year then ended,

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

**Basis for Opinion**

We conducted our audit of the statement of financial performance, statement of financial position, statement of cashflows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised).

Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report. We are independent of Connecting Communities Wairarapa Incorporated in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Wharekaka Trust Board Incorporated.

**Responsibilities of the Trustees' for the Performance Report**

The Trustees' are responsible for:

- (a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- (b) the preparation and fair presentation of the performance report on behalf of the entity which comprises:
  - the entity information;
  - the statement of service performance; and
  - the statement of financial performance, statement of financial position, statement of cashflows, statement of accounting policies and notes to the performance report,

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board, and

- (c) such internal control as the Trustees' determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Trustees' are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless those charged with governance either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Performance Report**

Our objectives are to obtain reasonable assurance about whether the performance report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees' and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Restriction on Responsibility**

This report is made solely to the Trustees', as a body. Our audit work has been undertaken so that we might state to the Trustees' those matters we are required to state to them in an auditor's 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 Trustees' as a body, for our audit work, for this report, or for the opinions we have formed.

*CKS Audit*

**CKS Audit  
Palmerston North  
15 July 2021**

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# WHAREKAKA TRUST BOARD AGM

## FACILITY MANAGERS REPORT

**August 2021**

*"Our residents don't live in our facility we work in their home"<sup>1</sup>*

The above quote captures the philosophy which guided our work in Wharekaka Rest Home over the last year. 2021 has been a little less of a roller-coaster ride than last year with less pressure from external challenges and a significant settling down of internal systems and staffing.

We continued to manage the ups and downs of COVID-19 alert level changes, but these are now becoming easier to manage. It has been very good to have the full cooperation of residents, staff, and families through these unknown times.

We maintained our occupancy at 91 % with a mix of hospital level and rest home level residents although that tended to be more rest home than hospital residents in the latter part of the year which has had implications for our income.

Our staffing has been fairly stable with all staff working well together as a large team, which has been vital for us to cover for leave and ensure we have the correct skill mix on every shift. We had a significant change in administration processes at the beginning of the year which has taken time to settle in as we needed to do a lot of system development to ensure we have sustainable processes to take us forward. This has been underpinned by a change to our accounting service provider at the beginning of the current year.

We had a change in Care Manager in October and this role ensures we provide effective professional clinical leadership. We continue to get enquires for work at Wharekaka and pleasingly this is often from friends or family of current staff.

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<sup>1</sup> Eden Alternative ©

All the villas are occupied, and we have had good feedback from the residents that they are happy with their life as part of the extended Wharekaka whanau.

We have had no major environmental changes to the facility. The reception area is working well and it has been extremely useful to have a meeting room for those quiet conversations.

We do rely on the support of many people to provide our services. The Auxiliary and volunteers continue to provide us with much needed equipment, fabulous food, and interesting activities - always done with a cheerful and positive attitude. This is very much appreciated as is the guidance and support provided by the Wharekaka Trust Board members.

Jenny Prentice

Facility Manager

## Wharekaka Auxiliary Chairperson's Annual Report 2020-2021

Once again I would like to present my annual report as Chairperson of the Wharekaka Auxiliary.

Sadly once again this is a somewhat of a Covid 19 report, as during the last year we were forced into cancelling some events that we would usually hold for either fundraising purposes or for the enjoyment of residents. The most significant of these was our annual Bridge and Mahjong day, a much looked forward to occasion which also plays a large part in our fundraising efforts. Whilst we had exited the initial lockdown period, the country was still being urged to show caution around large gatherings and as the majority of the participants are usually in the older age range the decision was made that it would be irresponsible to go ahead with the day. Generously, many of the would-be participants donated their entry fee which we gratefully accepted. Thankfully planning is well underway for the 2021 event.

We were however able to participate in 3 of the markets that are held around Martinborough, namely the TK Market, the Rotary Fair and the new Community Market. As usual our prowess as wonder cooks came to the fore and our baking quickly sold out, giving our coffers a welcome boost

Fortunately our finances remain healthy and requests for purchases for the facility have still been able to be met.

Items bought this year have included;

Hybrid Power Mattress	\$3038.00
Flex Relax Chair	\$1787.00
Bain Marie Attachments	\$ 897.00

We were also able to assist the Board with the sum of \$7450.00 to complete the installation of the emergency water tank. This was an unusual request in that capital works would not generally be our domain, however unless the money needed to complete the project was found, the board would lose a generous grant from the SWDC, so in this instance members felt it was a project we should be part of.

All these items bring our expenditure for the year to \$13,172.00, a not insignificant sum and one that we are very proud to be able to give.

Alongside the fundraising we have continued our interaction with the home in the form of events and activities. We are finding that with the increasing frailty of most of our residents, that outings are no longer feasible for us to manage, however guest speakers and entertainers are always popular. We are constantly amazed at the variety of talents that locals have and their generosity and kindness at coming in to show them off.

In conclusion I would like to thank, as always, my fellow Auxiliary members. You are hard working and generous, ever ready to give of your time and talents, always with a smile and generally with a few laughs too. I know that the residents, staff, Board and the wider Martinborough community appreciate your efforts.

Carolyn Thompson Chair



## Activities Report 2021

Another busy year with plenty of entertainment and activities to keep the residents occupied.

As always support from the community, Auxiliary and friends of Wharekaka is a great asset to the home and allows us to bring in a wide range of entertainment from music, magic, afternoon teas, Vicky's Jones choir, dance and movement.

The local rest home quiz has us engaging with the other rest homes in South Wairarapa and Carterton.

Weekly outings in the van are always popular and a nice end to the week.

Maggie Westergren



