

ANNUAL REPORT 2023

# The Masonic Villages Trust



THE MASONIC  
VILLAGES TRUST



Care

Community

Compassion

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# Chair's Report

## A year to celebrate success.

There's no doubting many people in New Zealand are facing some tough times. You just have to glance at whatever media platform you prefer these days to see stories of hardship and Kiwis doing it tough.



Marie Gillies, Chair

But I think it's important, too – maybe doubly so in tough times – to celebrate success wherever you find it. To remind ourselves that there is light at the end of the tunnel.

And that's my focus in this report – to celebrate the successes over the past year of The Masonic Villages Trust. Because there have been several and I think they are worth noting.

Most prominent, of course, is the excellent progress we have made at our Wainuiomata Village in the Wellington region.

We have now completed stage four of that site's development and our Wainuiomata village is now home to over 60 residents.

Work is already underway on the remaining stages of development and we hope to have that village fully completed and occupied by June 2024. That's not a bad achievement in my book, given all we have been through since construction first started several years ago.

And then there's our now newly rebuilt and refurbished Woburn Masonic Care home in Lower Hutt.

This is a state-of-the-art facility, beautifully designed and constructed, in lovely grounds, and I, for one, am very proud of what we have created on that site.

Woburn Masonic features 62 large-size care suites with all the most sophisticated and modern amenities you'd expect. There are also many very appealing community and social spaces around the facility to create a peaceful home-away-from-home for our residents, the first of whom were moving in as I wrote this report.

Freemasons helped build the first Woburn Masonic Care home over 60 years ago and I feel a real sense of history and tradition when I look at the new facility we have created in its place.

And then there's the ongoing development at our Horowhenua Village, where we plan for another 108 villas (work has already started), and our merger during the year with the 12-unit Wharekaka Village in Martinborough in the Wairarapa.

As I've said in previous reports, growth underpins our strategic agenda and I'm very pleased to see us execute that agenda so purposefully and successfully.

Having said that, it hasn't all been plain sailing over the last 12 months.

The nursing staff shortages that have plagued the whole aged care sector have also impacted the Trust, and I particularly want to thank our head of Masonic Care, Anne Mclean, for the sterling work she has



Woburn Masonic Care Home Resident and Nurse



Woburn Masonic Care Suite

been doing to maintain staff numbers in the face of this tremendous challenge. I would also like to acknowledge the grant of up to \$50,000 from the Freemason's Charity, that has enabled us to support and assist nursing staff who wish to immigrate into New Zealand to complete their CAP courses in order to gain a New Zealand qualification.

And we continue to progress our governance review. This, too, is not without its challenges as we strive to find the correct balance between maintaining our Masonic heritage and adhering to Masonic principles, and securing the external expertise we need to properly support the Trust to continue its mission.

The review probably has another 18 months to go, by which time we feel confident we should have an appropriately-structured and skilled governing body in place, ready to face the challenges ahead.

This is the first year that we have prepared a Statement of Service Performance. This requirement enables us to share key indicators which detail what we provide, and what we achieve, as we deliver on our mission.

With our two registered charitable companies, each has its own set of indicators and these have been set out in this Annual report. For the Trust, itself, our indicators are the combination of these two sets of indicators from Masonic Care and Masonic Villages.

As time goes by, these indicators will provide evidence of our progress and the benefits that we deliver to those who access our services.

As always when I write these reports, I reflect on the fact the Trust's ongoing success would be nothing without the hard work and excellent commitment of our Chief Executive, Warick Dunn, and his amazing management team.

Keep up the good work – you are all really appreciated.

And, lastly, to my fellow Trustees and independent Directors. I want to acknowledge your efforts and thank you sincerely for your commitment.

Together, The Masonic Villages Trust is in good hands.

Marie Gillies, Chair

# Chief Executive's Report

Trust in a good place to keep moving forward.

This past year had many of the same hallmarks as its immediate predecessor. Only this time we saw greater transitions for the country, the retirement villages sector, and our Trust.



Warick Dunn, Chief Executive



Masonic Wainuiomata Hub

Nationally, New Zealand shifted into a world of 'living with' Covid, which wasn't without its challenges for us locally.

Of particular concern to us was a number of outbreaks across our five care facilities.

Thankfully, due to meticulous planning, high vaccine and booster rates, and good infectious control practices, all of our residents and staff remained safe.

However, Covid also constrained supply chains and hampered our ongoing Wainuiomata Masonic Village and Woburn Masonic Care projects.

Significant cost escalations in materials and labour, as well as inflationary pressures that increased interest rates substantially over the last financial year, compounded the issue.

Furthermore, the residential market downturn made it difficult for people to sell their homes and use those proceeds to move into our retirement villages.

Covid also had serious ramifications for our registered nursing workforce; the aged care sector reported vacancies totalling almost 25 per cent of that workforce, some 1,200 positions, and we weren't exempt from that issues that created.

Many of our nursing staff had to work much longer shifts to ensure we had continuity of service and that resident care wasn't impacted.

I'm truly grateful to all of our staff without whom we couldn't have navigated this turbulent period while continuing to provide a high level of care for our residents.

Responding to the workforce challenge, the Trust became an accredited workplace employer and began recruiting internationally qualified nurses (IQNs).

That has been very successful with 15 IQNs arriving as the financial year ended, now progressing through competency assessment programmes, and achieving registration with the New Zealand Nursing Council.

On the development front, two of our major projects, Wainuiomata Masonic Village and Woburn Masonic Care, have both progressed well.

It was quite a thrill on 15 October 2022 to see the Masonic Stone Laying Ceremony take place in Wainuiomata and, alongside that, the granting of the name 'O Mapuna' by the local iwi from the Wainuiomata Marae.

As the year closed, we still had a couple of construction stages to complete, but village occupancy is steadily increasing.

The rebuild and refurbishment of Woburn was completed in the reporting year and it re-opened for new residents on 16 May.

We have 52 care suites available under an occupation-right agreement and we were pleased Trustees Executors Limited agreed to be our statutory supervisor for Masonic Care Ltd.

In August, we had the blessing of the ground in Levin, where we started stage one earth and civil works for the substantial extension to our Horowhenua Care Facility. We expect to start building new villas there in the 2023-24 financial year.

The year also saw some significant changes in the aged care sector. Health New Zealand - Te Whatu Ora - was established, causing some significant disruption in terms of personnel changes and our relationships at the Ministry.

There was also the well-publicised review of the Retirement Villages Act, and the Commerce Commission opened its own wide-ranging investigation of the sector

(we are confident our operating systems and processes, as recommended by the Retirement Villages Association, will withstand any scrutiny).

With all that activity and responses that sit far from "business as usual" it was pleasing to record a surplus from operating activity of just over \$820,000, and this on total group income of \$26.07million. A total surplus for the year of \$10.5million was delivered after the inclusion of the "non-cash" adjustments relating to changes in values of investment properties, resident's interests associated with the issuing of occupation right agreements and revaluations.

No report would be complete without another heartfelt thank you to all our wonderful staff. As I said above, the lingering 'Covid effect' made it a particularly hard year for our team, especially for our staff in our care facilities and villages, so to you all, a special "thank you".

As we head off into a new year, I think we are well-balanced, in good shape and in a very good place to keep moving forward.

Warick Dunn, Chief Executive



“I’m truly grateful to all of our staff without whom we couldn’t have navigated this turbulent period while continuing to provide a high level of care for our residents.”

- Warick Dunn, CE

# Masonic Villages Ltd

## Statement of Service Performance for the year ended 30 June 2023.

This report has been prepared in accordance with PBE FRS 48 Service Performance Reporting.

### Achievements and Performance

During the reporting period, MVL continues to focus on core business maintaining our commitment to delivering quality retirement accommodation options to the community.

Throughout the reporting period MVL achieved the measured outputs that best reflect how we performed, this is shown below. We maintained the diverse portfolio of retirement villages across our numerous locations.

Consistent number of residents with ORA’s indicating strong demand for our affordable and community based living solutions. Our commitment to providing accessible housing options for retirees by continued rented accommodation residents. We have kept a robust village development pipeline to respond to the growing demand for retirement living.

DESCRIPTION	JUNE 2023		JUNE 2022	
	Measured	Achieved	Measured	Achieved
Number of villages	17	18	17	17
Number of villas with Occupation Rights Agreement (ORA)	509	514	469	449
Number of units with tenancy rental agreements	152	152	154	154
Number of residents	808	808	773	773
Village Villa and Unit development pipeline	129	129	47	47

Looking ahead to 2024 and beyond, MVL, remains committed to developing and fostering vibrant communities, offering affordable housing options and creating a sense of family among our residents.

# Masonic Villages Ltd

## Another positive year for our villages.

The Trust's charitable company, Masonic Villages Limited, is the registered operator of our retirement villages. We have continued to invest in the villages over the last few years as we have responded to the growing demand for retirement living, and the need to provide great communities for those seeking retirement accommodation.

## \$9.43m

Income for the year

## \$13.28m

Operating surplus + non-cash items

## 500+

Occupation Right Agreement units

Masonic Villages Limited has recorded a positive result for the year with an income of \$9.46m. This reflected the 60 Occupation Right Agreements issued during the year. After costs, Masonic Villages Limited recorded an operating surplus of \$2.24million. Valuation adjustments, which are non-cash items, increased this figure to \$13.28million.

The company remained committed to its focus on growing during the year, with the development of Wainuiomata Masonic Village continuing. Over 50 of the 80 villas destined for the village have now been built.

The site works on the extension to Horowhenua Masonic Village, located in Levin, commenced over the summer months. When completed, this exciting development will add an additional 100+ villas to this village, as well as a new village hub for the community.

During the year, Masonic Villages Limited merged with the Wharekaka Village, which is located in Martinborough, Wairarapa. This added another 12 villas to the company's portfolio and increased the total number of village sites across the North Island from 17 to 18. The company now has over 500 Occupation Right Agreement units.

Across the wider retirement villages sector the Ministry of Housing and Development has initiated a review of the Retirement Villages Act and is working towards the release of a discussion document later in 2023.



Masonic Wainuiomata Village

## Masonic Villages Accommodation Units

VILLAGE	RENTALS	APARTMENTS	VILLAS	CURRENT	UNDER		TOTAL
					CONSTRUCTION	PLANNED	
Wairarapa	19	9	84	112	0	0	112
Horowhenua	28	0	55	83	0	108	191
Woburn	0	86	3	89	0	0	89
Te Awahou	33	0	27	60	0	0	60
Masonic Court	5	0	14	19	0	0	19
Northland	45	0	34	79	0	0	79
Taranaki	0	0	112	112	0	0	112
Edale, Marton	16	0	14	30	0	0	30
Wainuiomata	0	0	51	51	21	8	80
Wharekaka	0	0	12	12	0	0	12
<b>TOTAL</b>	<b>148</b>	<b>95</b>	<b>406</b>	<b>647</b>	<b>21</b>	<b>116</b>	<b>784</b>

# Masonic Villages across the North Island

## TARANAKI VILLAGES

ELTHAM  
MASONIC VILLAGE



CLAWTON  
MASONIC VILLAGE



WAITARA  
MASONIC VILLAGE



HAWERA  
MASONIC VILLAGE



MANADON  
MASONIC VILLAGE



WELBOURN  
MASONIC VILLAGE



## WELLINGTON/WAIRARAPA VILLAGES

WOBURN  
APARTMENTS



WAIRARAPA  
MASONIC VILLAGE



WAINUIOMATA  
MASONIC VILLAGE



WHAREKAKA  
MASONIC VILLAGE



## NORTHLAND VILLAGES



HOKIANGA MASONIC VILLAGE



WELLSFORD MASONIC VILLAGE



LUPTON MASONIC VILLAGE



MAUNU MASONIC VILLAGE



HOROWHENUA  
MASONIC VILLAGE



## MANAWATU/RANGITIKEI DISTRICT

EDALE  
MASONIC VILLAGE



TE AWAHOU  
MASONIC VILLAGE



MANAWATU  
MASONIC VILLAGE



# Masonic Care Ltd

## Statement of Service Performance for the year ended 30 June 2023.

This report has been prepared in accordance with PBE FRS 48 Service Performance Reporting.

### Achievements and Performance

During the reporting period, MCL continued to focus on core business services maintaining our commitment to delivering quality care services to the community.

Throughout the reporting period MCL achieved the measured outputs that best reflect how we performed, this is shown below. We successfully maintained certified services at all five care facilities.

Our commitment to care bed provision provided availability of our services to the community. We consistently maintained a high level of occupancy across all care facilities, ensuring that individuals received the care they need.

DESCRIPTION	JUNE 2023		JUNE 2022	
	Measured	Achieved	Measured	Achieved
Number of Care Homes Certified	5	5	5	5
Total number of beds available	234	265	234	234
Range of Certified Services	3	3	3	3
Number of contracted services other than core ages residential care	5	5	5	5
Total number of care residents supported in the year	413	413	353	353
Occupancy across the care homes (average across the full year)	225	216	219	222

Looking ahead to 2024 and beyond, MCL, remains steadfast in its commitment to providing exceptional aged care related services to communities. We anticipate both challenges and opportunities in the dynamic aged care sector we operate in.





# Masonic Care Ltd

## Managing the pandemic fall out.

In the year to June 2021 we managed the full impact of Covid, and in the year to June 2022 we have been managing the fall out from the pandemic; workforce shortages, increasing costs, rising wage costs to attract workers to the aged care sector, and supply chain disruptions.

In response to workforce challenges, Masonic Care pivoted early to focus on workforce recruitment strategies; we gained Immigration NZ Accredited Employer Work Visa (AEWV) status in early July 2022, the very day Immigration NZ activated the new scheme.

AEWV enabled Masonic Care to directly recruit nurses from overseas. We screened hundreds of overseas nurses and have recruited 12 Internationally Qualified Nurses (IQNs) to date.

Nine nurses are on a pathway to completing NZ Nursing Registration and six have completed their Competency Assessment Programmes as a result of Freemasons NZ's support. These six IQNs have become registered in New Zealand.

This year we considered the sustainability of Edale Masonic Care's services in Marton, looking at how the service can better support the community's care requirements into the future.

The decision was made to reconfigure services and expand resthome-level care, as well as replacing the six dementia care suites with nine hospital-level care beds. Previously, residents requiring hospital-level care had to move to another facility outside the district.

We welcomed two new Facility Managers to our team; Rachel De Burgh, previously Clinical Nurse Leader, took up the post at Horowhenua Masonic Care, and at our new Woburn facility we secured the services of Heidi O Reilly, a seasoned manager in the sector.

Following the completion of our construction programme at Woburn Masonic Care we finally opened the new facility to residents on May 16. The beautiful new facility has 62 beds, with care suites providing residents with a unique experience.

The service has been likened to that of a 5-star hotel with 24/7 nursing care. Feedback from families and residents has been overwhelmingly positive.

We continue to develop our clinical governance with the ongoing deployment of clinical information systems as we move towards paperless electronic records for our residents. These electronic systems enable better evaluation and analysis of clinical outcomes for our residents.

Despite managing the odd Covid outbreak we re-opened all facilities during the year, welcoming back volunteers, and re-establishing community links paused over the last 18 months of navigating lockdowns. Residents and families have welcomed the opportunities to celebrate special events with their loved ones face to face!

Unsurprisingly, another challenging year at an operational level took its toll on the financial outcome.

A record level of income of \$16.62m was deployed to support our operations in a year of transition as structural changes to services at Edale and the new home for Woburn were achieved.

A deficit of \$1.21m was recorded as we invested in our nursing workforce and worked through the costs associated with service reconfiguration.




Woburn Masonic Care Home Resident and Heidi O'Reilly (Woburn Care Manager)



Woburn Masonic Care resident

## Masonic Care Numbers of Beds

Horowhenua Care Facility	Woburn Masonic Care	Glenwood Masonic Hospital
 76	 62	 48
Masonic Court	Edale Masonic Care	Total Beds
 49	 30	<b>265</b>

# The Board of The Masonic Villages Trust



**Marie Gillies**

Dip Health Ed  
Chair, Member, Audit & Risk Committee  
National Support Mgr Arthritis  
Foundation (Retired), Heritage NZ Manager  
(Retired), Director, Masonic Care Ltd  
Director, Masonic Villages Ltd



**Terence Wellington**

Deputy Chair  
CA  
Member, Audit & Risk Committee



**Jim Watt**

Grand Master, Freemasons NZ



**Bryce Smith**

BCA, CA, FCPA  
Chartered Accountant



**Sean Hannan**

BA, LLB  
Independent Director  
Chair, Masonic Care Ltd  
Chair, Masonic Villages Ltd  
Member, Audit & Risk Committee



**George Swanepoel**

BA, LLB, H Dip Tax & PDip Bus Studies  
Chair, Audit & Risk Committee

## BOARD OFFICERS



**Warick Dunn**

LLB  
Chief Executive



**Alan Atack**

NZCB, LBP  
Project Director



**Anne Mclean**

Dip. Nursing  
BA Social Sciences  
General Manager, Masonic Care



**Nick Merrett**

BSc, MSc  
Operations Manager



**Alan Dawson**

B.Sc [Accounting] Dip. Accounting  
Science, CA  
Head of Finance

## INDEPENDENT DIRECTORS



**Iris Reuvecamp**

LLB Hons, BA, MBHL  
(Distinction), AAMINZ, MinstD  
Barrister & Solicitor  
Director, Masonic Care Ltd  
Director, Masonic Villages Ltd  
Chair, Nominations &  
Remuneration Committee



**Grant McGregor**

MA (Hons), Economics  
Director, Masonic Care Ltd  
Director, Masonic Villages Ltd  
Owner, McGregor Strategic Ltd

# Financial Report

## The Masonic Villages Trust Summary Statement Of Service Performance For The Year Ended 30 June 2023

This report has been prepared in accordance with PBE FRS 48 Service Performance Reporting. The Trustees of the Masonic Villages Group (“the Group”) believe that the statements contained in this report accurately reflect the overall performance of the Group for the year ended 30 June 2023.

### Who we are, why do we exist and what is our focus?

The Masonic Village Group, anchored by its deep historical ties to Freemasonry NZ, stands united by timeless principles: ‘Our Community. Our family. Our compassion.’ Within this collective, the Masonic Villages Trust (the Trust) is a pivotal entity as the 100% shareholder of Masonic Villages Limited (MVL) and Masonic Care Limited (MCL). The Trust’s commitment to these principles drives its unwavering dedication to providing exceptional living experiences, diverse accommodation choices, and compassionate care services to retirees and individuals in need, in harmony with the values upheld by MVL and MCL.

### Retirement Living - MVL

During the reporting period, MVL continues to focus on core business maintaining the commitment to delivering quality retirement accommodation options to the community.

Throughout the reporting period MVL achieved the measured outputs that best reflect performance, this is shown below. MVL maintained the diverse portfolio of retirement villages across our numerous locations. Consistent number of residents with ORA’s indicating strong demand for our affordable and community based living solutions. The commitment to providing accessible housing options for retirees by continued rented accommodation residents.

MVL has kept a robust village development pipeline to respond to the growing demand for retirement living.

Description	June 2023 Achieved	June 2022 Achieved
Number of villages	18	17
Number of villas with Occupation Rights Agreement (ORA)	509	469
Number of units with tenancy rental agreements	152	154
Number of residents	808	773
Village Villa and Unit development pipeline	129	47

### Aged Care Services - MCL

During the reporting period, MCL continued to focus on core business services maintaining our commitment to delivering quality care services to the community.

Throughout the reporting period MCL achieved the measured outputs that best reflect performance, this is shown below. MCL successfully maintained certified services at all five care facilities. The commitment to care bed provision provided availability of our services to the community. MCL consistently maintained a high level of occupancy across all care facilities, ensuring that individuals received the care they need.

Description	June 2023 Achieved	June 2022 Achieved
Number of Care Homes Certified	5	5
Total number of beds available	265	234
Range of Certified Services	3	3
Number of contracted services other than core aged residential care	5	5
Total number of care residents supported in the year	413	353
Occupancy across the care homes (average across the full year)	216	222

The Masonic Villages Trust  
Summary Statement Of Comprehensive Revenue And Expenses  
For The Year Ended 30 June 2023

	Group	Group
	2023	2022
	\$	\$
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>		
Operating revenue	25,984,035	24,920,238
Interest	74,029	460
	26,058,064	24,920,698
<b>REVENUE FROM NON EXCHANGE TRANSACTIONS</b>		
Donations and legacies	16,772	28,132
Total revenue	26,074,836	24,948,830
<b>EXPENSES</b>		
Operating homes, flats and villas	24,444,286	22,526,921
Depreciation	601,239	552,273
Total expense	25,045,525	23,079,194
<b>OPERATING SURPLUS BEFORE INTEREST</b>	<b>1,029,311</b>	<b>1,869,635</b>
Interest expense	208,793	3
<b>OPERATING SURPLUS AFTER INTEREST</b>	<b>820,518</b>	<b>1,869,632</b>
<b>OTHER MOVEMENTS</b>		
Legacy fund income	22,145	(29,929)
Resident licence agreement provision movements	7,479,786	(5,790,064)
Investment property fair value movement	3,504,650	22,002,156
	11,006,581	16,182,163
<b>TOTAL SURPLUS FOR YEAR</b>	<b>11,827,099</b>	<b>18,051,794</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Revaluation of property, plant and equipment	(1,302,151)	-
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSES FOR THE YEAR</b>	<b>10,524,948</b>	<b>18,051,794</b>

This summary report has been extracted from annual financial statements of The Masonic Villages Trust, in which an unmodified audit report was issued.

It may not contain sufficient information for a full understanding of the financial affairs of the Trust, but copies of the full financial report can be obtained from the CEO, The Masonic Villages Trust, Level 6, Daly Street, Lower Hutt.

The Masonic Villages Trust  
Summary Statement Of Changes In Net Assets  
For The Year Ended 30 June 2023

	Group	Group
	2023	2022
	\$	\$
<b>EQUITY AT BEGINNING OF YEAR</b>	<b>159,926,712</b>	<b>141,874,918</b>
Total surplus for the year	11,827,099	18,051,794
Transfer from Wharekaka Trust Board Incorporated	3,804,949	-
Other comprehensive income	(1,302,151)	-
Total comprehensive revenue and expenses	<b>14,329,897</b>	<b>18,051,794</b>
<b>EQUITY AT END OF YEAR</b>	<b>174,256,609</b>	<b>159,926,712</b>

The Masonic Villages Trust  
Summary Statement Of Financial Position  
As At 30 June 2023

	Group	Group
	2023	2022
	\$	\$
<b>ASSETS</b>		
Current assets	2,636,628	1,857,640
Non-current assets	333,661,521	298,370,404
<b>TOTAL ASSETS</b>	<b>336,298,150</b>	<b>300,228,044</b>
<b>LIABILITIES</b>		
Current liabilities	55,183,330	42,691,101
Non-current liabilities	106,858,212	97,610,231
<b>TOTAL LIABILITIES</b>	<b>162,041,541</b>	<b>140,301,332</b>
<b>NET ASSETS</b>	<b>174,256,609</b>	<b>159,926,712</b>
<b>EQUITY</b>		
Retained earnings	170,792,239	155,011,451
Property, plant and equipment revaluation reserve	3,088,844	4,516,881
Trust funds	375,526	398,380
	<b>174,256,609</b>	<b>159,926,712</b>

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The Masonic Villages Trust  
Summary Statement Of Cash Flows  
For The Year Ended 30 June 2023

	Group	Group
	2023	2022
	\$	\$
Net cash inflows/(outflows) from Operating activities	6,066,749	2,795,553
Net cash inflows/(outflows) from Investing activities	(20,963,342)	(18,187,416)
Net cash inflows/(outflows) from Financing activities	14,917,671	14,489,261
Net change in cash and cash equivalents	<b>21,078</b>	<b>(902,602)</b>
Cash and cash equivalents at beginning of year	92,876	995,479
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>113,954</b>	<b>92,876</b>

This summary report has been extracted from annual financial statements of The Masonic Villages Trust, in which an unmodified audit report was issued.

It may not contain sufficient information for a full understanding of the financial affairs of the Trust, but copies of the full financial report can be obtained from the CEO, The Masonic Villages Trust, Level 6, 15 Daly Street, Lower Hutt.

The Masonic Villages Trust  
Notes To The Summary Financial Statements  
For The Year Ended 30 June 2023

### 1. Reporting Entity

The reporting entity is The Masonic Villages Group (“the Group”). The Trust is registered under the Charitable Trust Act 1957 and the Charities Act 2005. The 100% subsidiaries of the Trust, Masonic Villages Limited (MVL) and Masonic Care Limited (MCL) are registered charitable companies under the Charities Act 2005. The subsidiary companies are issuers of Occupation Rights Agreements (ORAs) and are responsible for the day to day provision of care and retirement village operations. The primary objective of the Group is to operate care facilities and retirement villages for community and social benefit.

### 2. Statement of Compliance

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). These summary financial statements are in compliance with PBE-43 Summary Financial Statements. The full set of The Masonic Villages Trust financial statements comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) Tier 2 Not-For-Profit and other applicable financial reporting standards, as appropriate for public-benefit-entities.

These summary financial statements do not include all the disclosures provided in the full financial statements. No information has been re-stated or re-classified in preparation of the summary financial statements.

The full set of financial statements have been audited by BDO Wellington Audit Limited and an unqualified opinion was issued.

These financial statements were approved for issue by the Trustees on 18th September 2023.

### 3. Basis of consolidation

Subsidiaries are companies controlled by the Trust and are included in the consolidated financial statements using the purchase method of consolidation. In the Trust, subsidiaries are valued at cost and are subject to an impairment test at each reporting date.

All significant intercompany balances have been eliminated in full on consolidation.

The financial statements of the subsidiaries are prepared for the same reporting period of the Group, using consistent accounting policies.

### 4. Basis of preparation

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2023, and the comparative information presented in these financial statements apply to the Group for the year ended 30 June 2022.

The financial statements of the Group are presented in New Zealand Dollars and are rounded to the nearest dollar.

The measurement basis adopted in the preparation of these financial statements is historical cost with the exception of investment property which are measured at fair value.

## 5. Capital commitments

At balance date the Group had the following commitments.

	<b>Group</b>	<b>Group</b>
	<b>JUNE 2023</b>	<b>JUNE 2022</b>
	\$	\$
Woburn care facility	302,752	10,509,495
Wainuiomata village & care facility	743,549	3,348,214
Horowhenua village expansion	3,771,319	26,912
	<u>4,817,620</u>	<u>13,884,621</u>

Funding from the bank is available to meet these commitments.

## 6. Related party transactions

### KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel comprise the Trustees and senior management personnel who have responsibility for planning, directing and controlling the activities of the Group.

	<b>Group</b>	<b>Group</b>
	<b>JUNE 2023</b>	<b>JUNE 2022</b>
	\$	\$
Salaries and other employee benefits - 14.08 FTE (2022: 13.92 FTE)	2,166,370	2,012,896
Directors fees	128,779	97,769
Trustee fees	26,803	-

MVL and MCL have six directors, three of these are also trustees of the Trust.

The Kelvin House facility has been leased from an entity owned by an appointed director from January 2021 to 18 May 2023.

Transactions between the Group, Trust and entities in which the trustees and directors are associated were undertaken at arms length on normal trading terms.

## 7. The Wharekaka Trust Board Incorporated (WTBI)

On the 28th of February 2023 the village operations of the Wharekaka Trust Board Incorporated (WTBI) were transferred to the Group as part of the merger between MVL and WTBI. The balances have been adjusted on initial recognition so that they are recognised with the Group's accounting policies. The purpose of the merger was to transfer the ownership of the asset to a professional organisation and to ensure the long term sustainability of the business and to maintain a presence in Martinborough. The assets and liabilities transferred at fair values to the Group are as follows:

	<b>28 FEBRUARY</b>
	<b>2023</b>
	\$
Property, plant and equipment	75,221
Investment Property	6,500,751
Provision for 'Disestablishment Costs'	(50,000)
Employee liabilities	(1,947)
Residents' interest (net of deferred management fees)	(3,599,250)
Residents' interest provision discount	1,627,632
Deferred management fees	(747,458)
	<u><b>3,804,949</b></u>

The Group has adjusted the carrying amounts of assets and liabilities in order to conform with the Group policies. Adjustments made to the obligations to residents and DMF relate to the difference in the expected length of stay assumptions.

## 8. Contingencies

The Group and Trust had no known contingent liabilities or assets as at 30 June 2023 (2022: \$0).

## 9. Significant events after balance date

There are no significant events after balance date.

## REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY ANNUAL REPORT TO THE TRUSTEES OF THE MASONIC VILLAGES TRUST GROUP

### Opinion

The summary annual report was derived from the general purpose financial report of The Masonic Villages Trust Group (“the Group”) for the year ended 30 June 2023.

The summary annual report comprises of summary financial statements on pages 2 to 6, and summary service performance information on page 1. The complete set of summary financial statements comprise the summary statement of financial position as at 30 June 2023, the summary statement of comprehensive revenue and expense, summary statement of changes in net assets and summary statement of cashflows for the year then ended, and a summary of significant accounting policies.

In our opinion, the accompanying summary annual report is consistent, in all material respects, with the audited annual report, in accordance with PBE FRS-43: *Summary Financial Statements* issued by the New Zealand Accounting Standards Board.

### Summary Annual Report

The summary annual report does not include all the disclosures included in the general purpose financial report. Reading the summary annual report and the auditor’s report thereon, therefore, is not a substitute for reading the audited general purpose financial report and the auditor’s report thereon. The summary annual report does not reflect the effects of events that occurred subsequent to the date of our auditor’s report on the general purpose financial report.

### The Audited General Purpose Financial Report and Our Report Thereon

We expressed an unmodified audit opinion on the audited general purpose financial report in our report dated 22 September 2023. The summary financial statements and audited financial statements do not reflect the effects of events that occurred subsequent to the date of the auditor’s report on the audited financial statements.

### Trustees’ Responsibility for the Summary Annual Report

The trustees are responsible on behalf of the Group for the preparation of the summary annual report in accordance with PBE FRS-43: *Summary Financial Statements*.

### Auditor’s Responsibility

Our responsibility is to express an opinion on whether the summary annual report are consistent, in all material respects, with the audited general purpose financial report based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) (ISA (NZ)) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Other than in our capacity as auditor we have no relationship with, or interests in, the Group.

### Who we Report to

This report is made solely to the Group’s Trustees, as a body. Our audit work has been undertaken so that we might state those matters which 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 Group and the Group’s trustees, as a body, for our audit work, for this report or for the opinions we have formed.



**BDO WELLINGTON AUDIT LIMITED**

Wellington  
New Zealand  
18 September 2023





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September 2023