

Whanganui Educational Settlement Trust
Performance Report for the year ended
31 December 2020

Whanganui Educational Settlement Trust

Performance Report

For the year ended
31 December 2020

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Whanganui Educational Settlement Trust

Entity Information

"Who are we?", "Why do we exist?"

For the year ended
31 December 2020

Legal Name of Entity:*	Whanganui Educational Settlement Trust ('WEST') of the Religious Society of Friends (Quakers) in Aotearoa NZ, Te Hahi Tuhauwiri
Type of Entity and Legal Basis (if any):*	Charitable Trust
Registration Number:	CC26293

Entity's Purpose or Mission: *

The general religious and educational and charitable purposes of the Religious Society of Friends includes but not limited to the following:

- (a) Building and equipping houses, flats and other living accommodation for the use and occupation of persons either permanently or temporarily so as to provide in Whanganui a community of like-minded persons to preserve, uphold and promote those spiritual values and ideals which find common acceptance amongst members of the said Society and also to engage in social and other service among and for the surrounding district and the public generally according to the concepts, tenets and insights of the said Society and its members;
- (b) Providing facilities including libraries, workshops and lecture or seminar rooms for study and education particularly pertaining to matters of concern to the said Society and its members;
- (c) Providing facilities for conferences and meetings of an educational or religious nature.

Entity Structure: *

WEST is a Charitable Trust and the registered Proprietor of land occupied by the Whanganui Educational Settlement at 76 Virginia Road, Whanganui. All Trustees (including three representatives from the Settlement) are appointed by the Religious Society of Friends (Quakers) Yearly Meeting of Aotearoa New Zealand (CC23099). The number of Trustees may not fall below six. Day to day management is entrusted to the management meeting which is made up of persons who from time to time are residents of the Whanganui Educational Settlement.

Main Sources of the Entity's Cash and Resources:*

Donations, provision of housing (rents), seminar income, provision of accommodation.

Main Methods Used by the Entity to Raise Funds:*

Running of seminars, provision of accommodation.

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

Reliant on volunteers to run and host seminars, care for land and administration.

Contact details

Physical Address:	76 Virginia Road, Whanganui
Postal Address:	702 Kahuterawa Road, RD 2, Palmerston North 4472
Email/Website:	settlement@quaker.org.nz http://quakerssettlement.co.nz

Whanganui Educational Settlement Trust

Statement of Service Performance

"What did we do?", When did we do it?"

For the year ended

31 December 2020

Description of the Entity's Outcomes*:

1. Care for residents and community: To ensure a culture, which encourages each person to develop their own gifts in relation to the community in the context of the Society of Friends(Quakers) and strive to live according to Quaker testimonies.
2. Planning and Decision making: Using Quaker spiritual processes we seek to be flexible; open; inclusive; transparent; robust; and adventurous in our organisational activities.
3. Outreach: The existence of the Settlement and its activities are an extension of letting our lives speak to Quakers and non-Quakers alike
4. Education: To effectively serve Aotearoa/NZ Friends and the wider community as a centre for education; learning and sharing; and reflecting our testimonies.
5. Peace, retreat and renewal: We offer a place of spiritual retreat encouraging renewal; growth; and peace to all Friends and visitors.
6. Care for the Earth: Recognising our part in the global ecosystem and being open to new light, we engage in restoration of this place and, as kaitiaki, leaving it in good heart for future generations by living lightly individually and collectively.

	Actual*		Actual*
Description and Quantification (to the extent practicable) of the Entity's Outputs:*	This Year		Last Year
Number of residents	29		25
Regular Coffee mornings	39		50
Regular shared meals	31		42
Operational Management Meetings using Quaker process to make operational decisions for the community	31		42
Active Premises Committee exists	y		y
Houses maintained	17		17
Seminar and accommodation spaces maintained	5		5
Regular working bees for care of land and gardens	31		42
Full weekend working bees for care of the land and buildings with support from Quakers nationally	2		2
Solar photovoltaic panels supplying power to seminar buildings	y		y
Weekend seminars for Quakers organised	2		6
Seminar attendees	37		150
Guided tours for non Quaker groups	1		1
Medium term residential educational groups	2		3
Non Quaker groups using the seminar facilities	5		9

Whanganui Educational Settlement Trust

Statement of Financial Performance

For the year ended

31 December 2020

	Note	Actual* This Year \$	Actual* Last Year \$
Revenue			
Donations, fundraising and other similar revenue*	1	2,623	5,986
Interest, dividends and other investment revenue*	1	2,820	2,369
Revenue from providing goods or services	1	153,034	169,291
Total Revenue*		158,477	177,646
Expenses			
Grants and donations made*	2	-	2,987
Costs related to providing goods or services	2	109,139	106,887
Other Expenses	2	42,286	40,746
Total Expenses*		151,425	150,620
Surplus for the Year*		7,052	27,026

Whanganui Educational Settlement Trust
Statement of Financial Position

As at
31 December 2020

	Note	Actual* This Year \$	Actual* Last Year \$
Assets			
Current Assets			
Bank accounts and cash*	3	142,369	71,891
Debtors and prepayments*	3	2,381	2,817
Investments*	3	8,573	70,971
Total Current Assets		153,323	145,679
Non-Current Assets			
Property, plant and equipment*	4	1,733,032	1,770,163
Investment Properties	4	3,589,000	2,821,513
Investments	3	132,252	-
Total Non-Current Assets		5,454,284	4,591,676
Total Assets*		5,607,607	4,737,355
Liabilities			
Current Liabilities			
Creditors and accrued expenses*	3	7,387	90,059
Loans	3	134,500	234,500
Total Current Liabilities		141,887	324,559
Non-Current Liabilities			
Loans*	3	240,000	240,000
Other non-current liabilities	3	1,760,350	1,167,550
Total Non-Current liabilities		2,000,350	1,407,550
Total Liabilities*		2,142,237	1,732,109
Total Assets less Total Liabilities (Net Assets)*		3,465,370	3,005,246
Accumulated Funds			
Accumulated surpluses*	5	1,293,815	1,175,578
Reserves*	5	2,171,555	1,829,668
Total Accumulated Funds*		3,465,370	3,005,246

For and on behalf of the Trust

For Rossell
Board Member

20-4-21
Date

Whanganui Educational Settlement Trust

Statement of Cash Flows

For the year ended
31 December 2020

	Actual* This Year \$	Actual* Last Year \$
Cash Flows from Operating Activities*		
Cash was received from:		
Donations, fundraising and other similar receipts*	2,623	5,986
Receipts from providing goods and services	154,557	167,357
Interest and other investment receipts*	2,888	6,293
Net GST received/(paid)	(1,170)	1,162
Cash was applied to:		
Payments to suppliers	83,133	76,045
Grants & Donations Made	-	2,987
Net Cash Flows from Operating Activities*	75,765	101,766
Cash flows from Investing and Financing Activities*		
Cash was received from:		
Term Deposit Maturity	70,971	320,233
Loan Repayments Received - House C	26,375	-
Cash was applied to:		
Payments to acquire property, plant and equipment*	2,633	2,738
Repayment of Hall Loan	100,000	-
Repayment of Northern MM Loan	-	239,516
Payment to repurchase House H Licence	-	332,500
Transfer to Term Deposit	-	70,971
Net Cash Flows from Investing and Financing Activities*	(5,287)	(325,492)
Net Increase/(Decrease) in Cash*	70,478	(223,726)
Opening Cash*	71,891	295,617
Closing Cash*	142,369	71,891
This is represented by:		
Bank Accounts and Cash*	142,369	71,891

Whanganui Educational Settlement Trust

Statement of Accounting Policies

For the year ended
31 December 2020

Basis of Preparation*

Whanganui Educational Settlement Trust 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 of 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.

Recognition of Recoveries from Occupational Rights Residents

This fee is payable by Residents to cover Rates, Insurance and on-going Maintenance during the time that the resident occupies the unit. Recoveries are recognised on an accrual basis.

Rental Income

Rental income is recognised on an accrual basis.

Interest Income

Interest income is recognised in the Statement of financial performance on an accrual basis.

Bequests and Donations

Bequests and Donations are recognised when the Trust receives the funds.

Goods and Services Tax (GST)*

The Trust is registered for GST. All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

Income Tax

Whanganui Educational Settlement Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Term Deposits

Term deposits held with the bank with original maturities of more than 90 days.

Debtors

Debtors are recorded at the expected realisable value.

House C Loan Receivable

A loan has been granted to facilitate the granting of a License to Occupy for House C. The terms of the loan are fixed for one year at 3.3% with stipulated fortnightly payments.

Whanganui Educational Settlement Trust

Statement of Accounting Policies

For the year ended
31 December 2020

Investment Properties

Properties available for occupation by third parties under a License to Occupy / Occupation Right Agreements are classified as investment property. A License to Occupy/Occupational Right Agreement confers a right of occupancy to a unit. Consideration received on the grant of an occupational right agreement is split between a resident loan and Investment Property. The amount of the consideration allocated to the resident loan is 95%. The initial recognition of investment property is at cost and subsequently measured at fair value with any change in fair value recognised in the property revaluation reserve.

The Residential Buildings are shown as at 2020 Revaluation Value. Boyd Valuations Limited, Registered Valuers, revalued the Residential Houses in a report dated October 2020.

Property, Plant & Equipment

Property, Plant & Equipment other than land and buildings are stated at original cost price less accumulated depreciation. Previously Land and Buildings were stated at the latest Quotable Value figures commissioned (2006) less Depreciation. As from 2008 Land and Buildings will be revalued as required by the Trust. Depreciation has been calculated at the maximum rates permitted by the Income Tax Act 2007.

Liabilities

Loans have been provided to the Trust by The Religious Society of Friends and M A & A J Hall.

These loans are unsecured.

Interest Terms are:

Loans from the Religious Society of Friends are interest free.

Interest is payable on the loan provided by M A & A J Hall at a rate of 2.0% per annum, beginning on 1 July 2020.

Repayment Terms are:

Religious Society of Friends - Repayment of the full sum within 3 months of demand being made for the Henry House loan of \$34,500

Religious Society of Friends - Repayment of funds when no longer required for the loan of \$240,000

M A & A J Hall - This loan is to be repaid no later than 1 December 2021.

Liability to Licence Holders

The Liability to Licence Holders figure reflects the revalued (2020) worth of the residences in respect of which licences to occupy exist, that are held privately, reduced by a 5% adjustment in line with WEST License to Occupy agreement.

Changes in Accounting Policies*

There has been a change in accounting policy with the accounts no longer showing provision for repairs.

Repairs and maintenance for investment properties and property, plant & equipment will be budgeted and recorded as expenses in the year they are incurred. The write off of the provision for repairs has been recorded as an accounting policy adjustment in Note 5: Accumulated Funds.

There have been no other changes in the accounting policies. All policies have been applied on a basis consistent with those used in previous years.

Reclassification

Certain comparative figures have been reclassified to be consistent with the current year presentation.

Whanganui Educational Settlement Trust

Notes to the Performance Report

For the year ended
31 December 2020

Note 1 : Analysis of Revenue

Revenue Item	Analysis	This Year \$	Last Year \$
Donations and other similar revenue	Gifts & Donations	2,623	5,966
	Project Canopy Donations		20
	Total	2,623	5,986

Revenue Item	Analysis	This Year \$	Last Year \$
Interest and other investment revenue	Interest Revenue	2,820	2,369
	Total	2,820	2,369

Revenue Item	Analysis	This Year \$	Last Year \$
Revenue from providing goods or services	Residential Rental Income	110,838	106,995
	Quaker Use of Accommodation	2,909	5,363
	Quaker Use of Buildings	61	19,267
	Quaker Use of Buildings with Accommodation	11,722	9,760
	Quaker Seminar Programme	3,878	9,139
	Outside Use	1,035	-
	Outside Use of Accommodation	421	8,144
	Outside Use of Buildings	2,679	5,220
	Use of Buildings with Accommodation	2,130	5,104
	Long Term Use - Units	15,063	-
	Communal Services - Contribution	-	138
	EV Charging Contributions	467	-
	Miscellaneous	1,831	161
	Total	153,034	169,291

Whanganui Educational Settlement Trust

Notes to the Performance Report

For the year ended
31 December 2020

Note 2 : Analysis of Expenses

Expense Item	Analysis	This Year \$	Last Year \$
Grants and donations made		-	2,987
	Total	-	2,987

Expense Item	Analysis	This Year \$	Last Year \$
Cost related to providing goods or services	Residential Rental Expenses	63,015	51,661
	Advertising & Promotion	-	57
	Website Expenses	500	1,717
	Power & Gas	3,540	5,386
	Supplies	826	1,114
	Repairs & Maintenance Communal Buildings	14,053	16,259
	Accountancy & Review Fees	2,035	2,032
	Board Expenses	2,191	4,621
	Insurance	-	11,421
	Seminar Expenses	4,354	1,327
	Legal Expenses	857	-
	Rates	12,415	8,475
	Telephone	1,429	1,649
	Valuation	2,900	-
	Administration Expenses	1,024	1,168
	Total	109,139	106,887

Residential Rental Expenses: The 2020 balance includes insurance for rental properties totalling \$10,745. However, insurance for the 2019 financial year totalling \$8,416 is noted to have been paid in the 2018 financial year.

Insurance: Insurance for commercial buildings has historically been prepaid with insurance for the 2020 financial year being paid in 2019 financial year. No prepayment was booked in prior years. Insurance for the 2021 financial year is noted to be paid in the 2021 financial year.

Expense Item	Analysis	This Year \$	Last Year \$
Other Expenses	Interest Expense	1,111	-
	Depreciation	39,764	40,746
	Seating in Hazelnut bushes	1,411	-
	Total	42,286	40,746

Whanganui Educational Settlement Trust

Notes to the Performance Report

For the year ended
31 December 2020

Note 3 : Analysis of Assets and Liabilities

Asset Item	Analysis	This Year \$	Last Year \$
Bank accounts and cash	Westpac Current Account	5,298	5,273
	Westpac - Rental Account	396	37,620
	Westpac Online Saver 002	135,016	23,979
	Westpac Online Saver 025 Licence Fund	-	5,019
	Westpac - Seminar Account	1,659	
	Total	142,369	71,891

Asset Item	Analysis	This Year \$	Last Year \$
Debtors and prepayments	Accounts Receivable	411	1,934
	Accrued Interest	-	68
	GST Refund Due	1,970	815
	Total	2,381	2,817

Asset Item	Analysis	This Year \$	Last Year \$
Current Investments	Westpac Term Deposits	-	70,971
	House C Loan Receivable	8,573	-
	Refer to accounting policy on page 6 for terms and conditions		
	Total	8,573	70,971

Asset Item	Analysis	This Year \$	Last Year \$
Non-current Investment	House C Loan Receivable	132,252	-
	Refer to accounting policy on page 6 for terms and conditions		
	Total	132,252	-

Whanganui Educational Settlement Trust

Notes to the Performance Report

For the year ended
31 December 2020

Note 3 : Analysis of Assets and Liabilities

Liability Item	Analysis	This Year \$	Last Year \$
Creditors and accrued expenses	Accounts Payable	1,218	4,153
	Provision for Repairs - Main Buildings	-	5,063
	Provision for Repairs - Rental Properties	-	74,528
	Earmarked Funds - Project Canopy	6,169	6,315
	Total	7,387	90,059

Liability Item	Analysis	This Year \$	Last Year \$
Current Loans	Religious Society of Friends-Henry House	34,500	34,500
	Loan - M A & A J Hall	100,000	200,000
	Total	134,500	234,500

Liability Item	Analysis	This Year \$	Last Year \$
Non-current Loans	Religious Society of Friends Trust Board	240,000	240,000
	Refer to accounting policy on page 6 for terms and conditions		
	Total	240,000	240,000

Liability Item	Analysis	This Year \$	Last Year \$
Other non-current liabilities	Liability to Licence Holders	1,760,350	1,167,550
	Total	1,760,350	1,167,550

Whanganui Educational Settlement Trust

Notes to the Performance Report

For the year ended

31 December 2020

Note 4 : Property, Plant and Equipment

This Year						
Asset Class*	Opening Carrying Amount* (\$)	Revaluation and Reclassifications (\$)	Purchases (\$)	Sales/Disposals (\$)	Current Year Depreciation and Impairment* (\$)	Closing Carrying Amount* (\$)
Land and Improvements*	1,180,001	(1,697)	-	-	383	1,177,921
Buildings*	554,859	1,697	-	-	33,493	523,063
Furniture and fixtures*	35,303	-	2,633	-	5,888	32,048
Total	1,770,163	-	2,633	-	39,764	1,733,032

This Year						
Asset Class*	Opening Carrying Amount* (\$)	Revaluation and Reclassifications (\$)	Purchases (\$)	Sales/Disposals (\$)	Current Year Depreciation and Impairment* (\$)	Closing Carrying Amount* (\$)
Investment Property	2,821,513	767,487	-	-	-	3,589,000
Total	2,821,513	767,487	-	-	-	3,589,000

Last Year						
Asset Class*	Opening Carrying Amount* (\$)	Revaluation and Reclassifications (\$)	Purchases (\$)	Sales/Disposals (\$)	Current Year Depreciation and Impairment* (\$)	Closing Carrying Amount* (\$)
Land and Improvements*	1,180,001	-	-	-	-	1,180,001
Buildings*	588,751	-	-	-	33,892	554,859
Chattels & Plant	37,816	-	4,341	-	6,854	35,303
Total	1,806,568	-	4,341	-	40,746	1,770,163

Last Year						
Asset Class*	Opening Carrying Amount* (\$)	Revaluation and Reclassifications (\$)	Purchases (\$)	Purchases (\$)	Current Year Depreciation and Impairment* (\$)	Closing Carrying Amount* (\$)
Investment Property	2,787,313	-	34,200	-	-	2,821,513
Total	2,787,313	-	34,200	-	-	2,821,513

Whanganui Educational Settlement Trust

Notes to the Performance Report

For the year ended
31 December 2020

Note 5 - 8

Note 5: Accumulated Funds*

This Year				
Description*	Capital Contributed by Owners or Members*	Accumulated Surpluses or Deficits*	Reserves*	Total*
Opening Balance	-	1,175,578	1,829,668	3,005,246
Accounting Policy Adjustment	-	111,185	-	111,185
Surplus/(Deficit)*	-	7,052	-	7,052
Revaluation	-	-	341,887	341,887
Closing Balance	-	1,293,815	2,171,555	3,465,370

Last Year				
Description*	Capital Contributed by Owners or Members*	Accumulated Surpluses or Deficits*	Reserves*	Total*
Opening Balance	-	1,148,552	1,829,668	2,978,220
Surplus/(Deficit)*	-	27,026	-	27,026
Closing Balance	-	1,175,578	1,829,668	3,005,246

Note 6: Commitments & Contingencies*

Commitments

There are no commitments as at balance date (2019: Nil)

Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at balance date (2019: Nil)

Note 7: Related Party Transactions*

Related Party Disclosures:

The Trust has loans totalling \$374,500 (refer to note 3) with various Quaker related individuals and entities (2019: \$474,500). The buildings and accommodation are also available for rent by Quaker related individuals and entities (2019: Same commitment). There were no other transactions involving related parties during the financial year (2019: Nil).

Note 8: Events After the Balance Date*

Events After the Balance Date:

There are no events that have occurred after the balance date that would have a material impact on the Performance Report.

Independent Assurance Practitioner's Review Report to the Board Members of Whanganui Educational Settlement Trust

Report on the Financial Statements

We have reviewed the accompanying financial statements contained in the performance report of Whanganui Educational Settlement Trust which comprise the statement of financial position as at 31 December 2020, and the statement of financial performance and statement of cash flows for the year then ended, and the statement of accounting policies and the notes to the performance report that include other explanatory information.

Board Members' Responsibility for the Financial Statements

The Board Members are responsible for the preparation and fair presentation of the financial statements in accordance with the accounting standard, Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) and for such internal controls as the Board Members determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Assurance Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with the International Standard on Review Engagements (New Zealand) (ISRE (NZ)) 2400, *Review of Historical Financial Statements Performed by an Assurance Practitioner who is the not the Auditor of the Entity*. ISRE (NZ) 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE (NZ) 2400 is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries of management and others within the entity as appropriate, applying analytical procedures and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly, we do not express an audit opinion on these financial statements.

Other than in our capacity as assurance practitioner we have no relationship with, or interests in the Trust.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements for the year ended 31 December 2020 as set out in the accompanying performance report do not present fairly, in all material respects, the financial position of Whanganui Educational Settlement Trust as at 31 December 2020 and its financial performance and cash flows for the year then ended, in accordance with the Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit).

Restriction on Distribution or Use

This report is made solely to the Board Members of Whanganui Educational Settlement Trust, as a body. Our review work has been undertaken so that we might state to the Board Members those matters which we are required to state to them in a review 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 Board Members, as a body, for our review procedures, for this report or for the conclusion we have formed.


Chartered Accountants
19 April 2021

Dunedin