



2015 **ANNUAL REPORT**



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RETIREMENT VILLAGES ASSOCIATION

President's 2015 Annual Report



It is my pleasure to present the President's report in the 26th year of the Retirement Villages Association. The last year has again seen the operators navigate slightly calmer waters. After years of work towards good outcomes with our documentation and Codes of Practice, we now have an evolving operational model which is working well on a day to day basis. As our industry buoyancy is closely associated with the performance of the real estate market, these are good times and selling our units and apartments is easier than it once was.

I would like to acknowledge the collaborative way that government officials have worked with our Executive and staff in Wellington. In this past year we have built our relationship with the Retirement Commissioner Diane Maxwell and her staff and are collaborating with them on a set of community meetings where the subject of retirement villages is discussed. The government policy analysts and politicians have received our submissions with a good degree of professional interest and we enjoy the dialogue with them in representing you all. We welcomed the Honourable Nick Smith to the role of Minister of Building and Construction and have enjoyed dialogue with the Hon Maggie Barry and other government ministers with an interest in the issue of older persons. John Collyns has met with both those ministers and has regular dialogue with their officials so we are kept in the ongoing conversation loops.

One of most important tasks of the Executive Director and the Executive is to watch the horizon for threats and challenges to our industry regulation and reputation and then mount a case through submissions and lobbying that works for us in the real world. Earlier this year John and I have attended a meeting of the Association of Retirement Village Residents to continue the conversation with them, ensure they are apprised of the facts that relate to individual situations and balance their arguments on behalf of the residents whom they see they represent.

For many years the Education Committee of the RVA Executive has been working on a training programme on the technical aspects of our industry. To those of us who have been around for a long time, we take for granted the specialised nature of this work. For a new entrant to a position in a Village – there is a lot to learn. We are in the late stages of developing three online modules that will be available to Village Managers and other operational staff working in villages. We are grateful to the committee members past and present who have undertaken this long journey of development and to our partner Synapys who are putting together the content for us.

I believe our industry has a great track record when it comes to management of complaints. We are all united in the view that happy residents are essential for a successful village.

We do everything we can to work with supervisors, our staff and residents and their family members to ensure that the residents experience in the Village is enjoyable and that they are treated fairly by their operator. Again this year we have had a low level of complaints elevated to our Complaints committee in the RVA.

This is a testament to the work done in Villages by the Village Managers and support staff who address resident complaints in their village quickly, allowing the resident or their family member to be heard with respect and quickly sorting out a way through the problem. The relationship with the Village Manager and the resident allows for this dialogue which can immediately solve a problem or work on a solution that is acceptable to the parties involved. The Village Managers out there have learnt the power of an apology and embrace each complaint as a valuable piece of feedback and an opportunity to provide an even better service in the future. It is very likely that someone in the industry has come upon an issue before and found a way to deal with it. This is where the local Managers groups can be of great value as managers are able to reach out for that help, support and advice from their peer group in solving any particular challenging complaint.

As the housing market is riding through good times it appears to have been easier to sell new and used stock. However we are aware that the experience in rural and provincial New Zealand does not always match that of the metropolitan areas. Operators are challenged in achieving resource consents facing an array of increasing complex hurdles to overcome on the way to market. John's report alludes to the industry group that have worked together in the last year on a submission to the Auckland Unitary Plan and the Christchurch City Council's review of their district plan. A future challenge for operators will be the ability to obtain suitable land for development at a price that will make the business cases for development work for everyone.

In the future sustainability will be a more important issue and the age of entry may well increase if the next cohort of residents remain relatively fit for longer than the current village occupiers. We need to meet the expectations of our new residents and those expectations will change over time. One trend is that village operators generally think that a village can achieve long term sustainability more easily if co-located with a care offering of some type. There appears to be a deepening appreciation of the part that an aged care facility or the ability to provide care into units can play in the purchase decision of the resident coming into a retirement village. This is likely to lead to a deepening of the relationship between the retirement village industry and the aged care industry uniting to enhance the quality of the offer available to incoming residents. We have recently surveyed our members as we are thinking

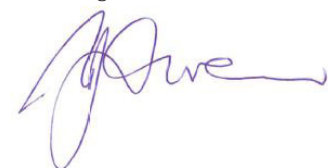
about developing some back office synergies between the ACA and the RVA members. As 67% of the members of the RVA have a care service on the same site this is becoming more and more relevant. Although our two "brands" need to retain their own identities – especially for the purposes of lobbying government officials, some synergies can be achieved by sharing resources in producing accounts, running Conferences, training and management of members databases.

On behalf of you all, I would like to thank John Collyns for his energetic hard work on your account. His irrepressible style drives examination of new issues, watches the horizon for upcoming threats and connects through to the Ministry of Building and Construction and other government departments to advocate strongly on your behalf on all the issues of the day. I would also like to thank Ed Thomas for all his work as Association Manager, Eric who we farewelled during the year and Carly Low who we welcomed late last year. We have a small but well balanced team who are always happy to hear from you and answer your queries.

On your behalf I would like to thank the members of the Executive committee who give their time so generously and engage so collaboratively on your behalf. With the end of this term we say farewell to Charlie Hand and Jeremy Leach who are stepping down from their Board roles in this rotation. We welcome an election and are pleased that many capable candidates for Board places have stepped forward to represent you. I will be stepping down from my role as President at this election

after 3 years in the job. It has been a privilege to lead this group who are more like friends than colleagues and I look forward to continuing involvement in this great industry. This will mean that we farewell Norah Barlow in the role of Past President. Norah led the RVA through the turbulent times of the Judicial Review of the Code of Practice and the management of insurance issues after the Canterbury earthquakes. We acknowledge and thank Norah for her long years of service, her superb leadership and her knowledge and wisdom - freely imparted to all. Thank you Norah for your wonderful contribution to the development of our industry, we wish you well for all your endeavours in the future.

At the end of last year our industry received a very valuable piece of positive reinforcement. Our Net Promoter Score is something we can all speak about with pride. A +47 score is excellent for such a diverse industry and testament to the fact that the residents independently surveyed, are very happy to recommend us. We are all likely to face many challenges in the short and medium term, but I believe if we apply the successful strategies of the past and work together to resolve issues with the common good in mind, we will continue to guide this industry to a very bright and positive future and even higher scores!



Margaret Owens
President,
Retirement Villages Association

RETIREMENT VILLAGES ASSOCIATION

2015 Annual Report – Executive Director's report



1. Legislation and Policy issues

Perhaps the two aspects that dominated the RVA's policy work in 2014-15 was the **Auckland Council's Unitary Plan and the Christchurch City Council's review of their District Plan.**

The RVA's focus in these two plans is to :

- Get retirement villages accepted at the strategic policy level so that the future development of villages is an accepted part of the housing solution in both cities, and
- Get retirement villages' existing resource provisions protected so they can continue to expand, and get new villages as a permitted activity in residential areas.

We pointed out that villages are "residential" in nature but they are also "more than residential" in that conditions applying to a conventional housing development are inadequate for a village development. A village needs to be part of its neighbourhood but will be bigger, higher and have a different profile. The objective is to present retirement villages as part of the solution, not part of the problem around housing needs in the community.

In time other Councils will pick up Auckland Christchurch's lead in this area. We are also talking to the Government about possible changes to the Resource Management Act that will create templates for urban planning.

A number of Councils changed their rating base during the year which had a serious impact on the amount of **rates paid by residents.** In Levin, for example, the average rates bill for a freehold home is \$2,100 while a retirement village resident pays around \$1,800 - \$1,900 annually. The former resident can obtain a rates rebate of \$600, reducing their rates bill to around \$1,500 while the retirement village resident cannot get the rebate and is stuck paying the full amount. Clearly they are disadvantaged and the Association, at the invitation of local RVA members, has spent a lot of time and resources lobbying individual Councils to persuade them to apply a rates remission for income-eligible LTO residents. In the meantime lobbying to change the Rates Rebate Act 1973 continues.

The last piece of work involving Councils is the continued argument to get a discounted rate for **development contribution** payments made by registered retirement villages.

The argument is that villages impose a reduced burden on the Council's amenities and therefore they should receive a discounted development contribution. This argument has been successful with a variety of Councils, including most recently, the Waipa District Council.

Persuading DHBs to contract directly with RV operators to deliver **Ageing in Place** (Home-based support) to their residents continues to be an objective. Last year we commissioned KPMG to write a report on the successes of this policy in the four DHB areas that permit direct contracting, and that report was launched in October 2014. We are using it to lobby key decision-makers in Government.

The Retirement Commissioner's **RV Act monitoring** projects continued this year with a review of the legislated disputes system. A researcher was appointed and has spent time with residents, operators and other stakeholders gathering views of the system which will form the basis of a report, to be produced after the year's end. Other research undertaken by the RC includes the dissemination of information to intending residents that will guide their newly-acquired educative responsibilities.

The Sale and Supply of

Alcohol Act 2012 created some important changes that caught some retirement villages. The Act came into effect on 18 December 2013 and the RVA ran a series of webinars in late 2014 to brief members on their obligations in the legislation.

There are a number of changes proposed in **Health and Safety legislation** and the RVA ran a series of seminars for members to brief them on the changes and to provide some tools to manage the change in culture in their businesses that the new legislation will require.

2. RVA's PR campaign

As part of our policy to get retirement villages accepted into the general housing landscape, we have started an ongoing PR campaign that includes meeting with relevant reporters (usually health, housing, consumer affairs portfolios) in main provincial and metropolitan newspapers with the following key messages:

- RV growth and development (or otherwise) in their region, using data from the Jones Lang LaSalle RV White Paper;
- Retirement villages create and support vibrant communities for independent and active older people and help address many of the challenges we face with an ageing population;
- Residents favour the security, companionship and a community of interest found in a RV;
- Retirement villages play an important role in addressing the country's housing needs by helping people release the equity in their homes, provide older New Zealanders with an affordable, comfortable and purpose-built home, and improve housing supply for the wider population.

We have also written to all MPs to introduce the industry and reinforce the beneficial effects villages have on a variety of public policy options. A policy of meeting all new MPs was instituted after the 2014 General Election.

Net Promoter Score (NPS)

Late in 2014 we asked 3,000 residents to complete a net promoter score survey that asked "how likely are they to recommend living in a RV to their friends and family". The outcome was one of the highest NPS recorded for an industry sector (+47). Mark McCrindle of McCrindle Research, who undertook the work, will be discussing the findings at the Conference in June.

We have developed material for members to use in their own information packs to intending residents, and we will include it as part of our on-going media campaign.

Stakeholder presentations

During the course of the year the Association was invited to make numerous presentations to a range of stakeholder organisations, groups of intending residents and overseas conferences about the benefits of living in a village and the world-class NZ regulatory regime. We see this as a core activity in the RVA's PR efforts and look forward to continuing to work with a wide range of organisations in the future.

3. 2014 Conference

Our 2014 Conference was held at the Langham Hotel in Auckland on 24 and 25 June. 360 delegates, exhibitors and sponsors took part, including 53 trade exhibitors. We were delighted to welcome back Jim Hopkins as our MC. On Monday the Programmed Property Golf Tournament took place, which was followed by the Trade Me Property Opening Cocktail function. The ANZ Gala Dinner was on Tuesday night.

60 delegates attended a masterclass with marketing guru Debbie Mayo-Smith and a village site tour followed on Thursday 26th June.

For the first time, thanks to sponsors Ernst and Young, we provided delegates with a phone app for Conference that will be expanded across the rest of the RVA's work in 2015.

4. Member benefits

We held 25 regional forums around the country during the year, all of which were well-received both by the sponsors and the members attending them. The general themes were around recruitment and staffing, insurance, good leadership, minimising fire risks, the Napier Connects programme, EPA, scam busting, legal changes affecting villages, and Council planning. Several panel discussions on resident pastoral care were very popular and we are grateful to the managers involved for sharing their knowledge and experience with others.

Our two Financial Sector Forums, sponsored by Minter Ellison (15 May 2014) and the ANZ (28 October 2014), were attended by 80 and 100 people respectively, continue to be the Association's second-largest event held each year. We are grateful to our sponsors for their continued generous support for these events.

Minter Ellison also sponsored our Not-for-Profit forum, attended by 50 members from around the country, and the ANZ sponsored our inaugural Design and Construction Forum held in conjunction with the PreFab Association.

Thanks to support from Bupa Care Services, we held a dementia seminar featuring Professor Graham Stokes in Wellington in April 2015.

The directory to Associate members was upgraded so that each associate is able to add their logo and a brief paragraph about what they provide. Our member benefits booklet was revised and launched, detailing a good range of benefits offered by our associates to members which are unique to the Association.

Our Advicewise HR service continued to be well-patronised, and the joint venture with Trade Me Property provided an outstanding way to advertise villages and available units to a vast audience.

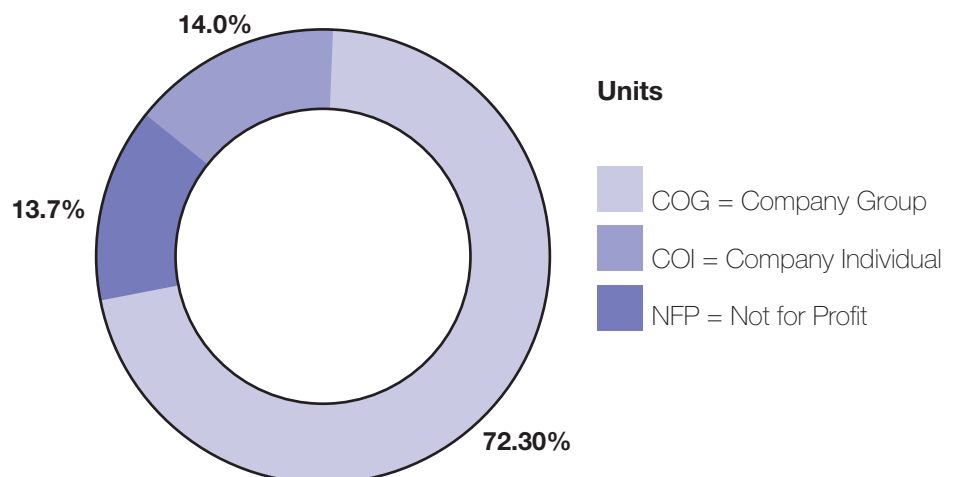
The strength of any organisation lies with its staff, and I'd like to thank Ed Thomas (Association Manager), Carly Low (Administration Officer) and Geeta Unka (Accounts) for their commitment to the Association and our members over the year.



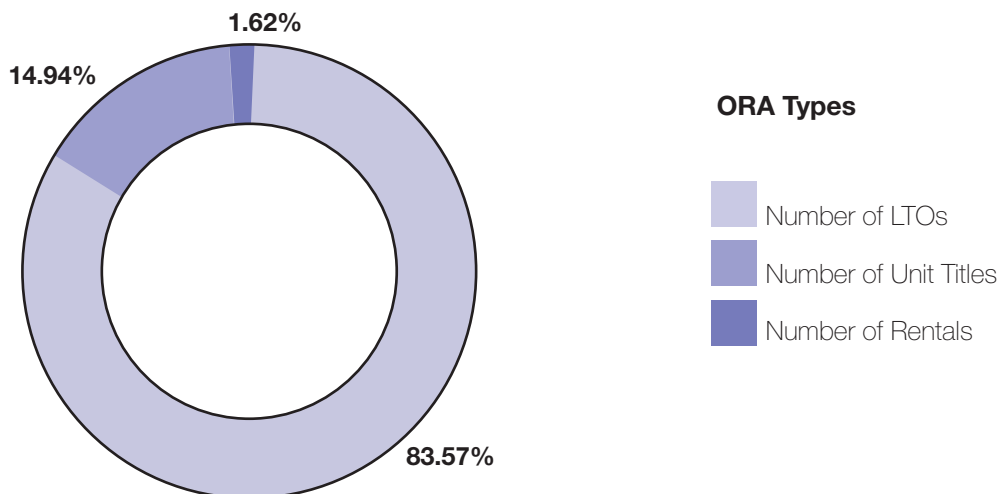
John Collyns
Executive Director

RVA MEMBER VILLAGES BY REGION AND LEGAL STRUCTURE

		Northland	Auckland	Waikato	Bay of Plenty	Hawkes Bay - East Coast	Manawatu - Wanganui	Taranaki	Wairarapa - Wellington - Kapiti	Nelson - Marlborough	Canterbury	Otago - Southland	Total
COG	Units	646	5,978	1,184	2,106	1,048	987	340	1,715	891	1,511	455	16,861
	Villages	7	45	14	24	12	12	6	16	12	28	7	183
COI	Units	12	977	328	544	119	168	176	85	171	560	84	3,224
	Villages	2	16	3	8	2	2	3	2	4	16	2	60
NFP	Units	172	1,001	422	126	192	187	96	565	12	311	330	3,414
	Villages	9	9	7	6	7	9	2	9	1	10	6	75
Total Number of Units		830	7,956	1,934	2,776	1,359	1,342	612	2,365	1,074	2,382	869	23,499
Total Number of Villages		18	70	24	38	21	23	11	27	17	54	15	318



RVA MEMBER VILLAGES BY REGION WITH ORA TYPES						
Region	Number of Villages	Number of Units	Median Number of Units	ORA Types		
				Number of LTOs	Number of Unit Titles	Number of Rentals
Northland	18	830	46	825	3	52
Auckland	70	7956	114	7263	608	63
Waikato	24	1934	81	1544	382	80
Bay of Plenty	38	2776	73	2687	66	37
Hawkes Bay - East Coast	21	1359	65	1091	258	22
Manawatu-Wanganui	23	1342	58	889	410	101
Taranaki	11	612	56	565	3	23
Wairapa-Wellington-Kapiti	27	2365	88	1717	648	0
Nelson - Marlborough	17	1074	63	762	259	45
Canterbury	54	2382	44	1806	493	10
Otago - Southland	15	869	58	488	381	0
Totals	318	23499	74	19637	3511	381
				83.57%	14.94%	1.62%



RVA MEMBER VILLAGES BY REGION AND VILLAGE SIZE

Village Size		Northland	Auckland	Waikato	Bay of Plenty	Taranaki	Hawkes Bay - East Coast	Manawatu - Wanganui	Wairarapa - Wellington - Kapiti	Nelson - Marlborough	Canterbury	Otago - Southland	Total
0 - 10 units	No of units	25		17	7	9	14	16	25		33	25	171
	No of villages	6	4	2	2	1	4	3	3	1	4	4	34
11 - 20 units	No of units	72	72	16	93	36	49	60	58	24	136	14	630
	No of villages	5	5	1	6	2	4	4	4	2	10	1	44
21 - 30 units	No of units	29	107		105	29		82	24	106	251	75	808
	No of villages	1	4		4	1		3	1	4	11	3	32
31 - 40 units	No of units		353	68	142		31	76	66	70	309	32	1,147
	No of villages		10	2	4		1	2	2	2	9	1	33
41 - 50 units	No of units	47	223	217	232	99			133	170	321		1,442
	No of villages	1	5	5	3	2			3	3	7		29
51 - 60 units	No of units		166	112	399	56	165	53			172		1,123
	No of villages		3	2	7	1	3	1			3		20
61 - 70 units	No of units	68	62			133	69				263	132	727
	No of villages	1	1			2	1				4	2	11
71 - 80 units	No of units		155		72	76	76	75	71			74	599
	No of villages		2		1	1	1	1	1			1	8
81 - 90 units	No of units	83	255	166	87			167	167		81		1,006
	No of villages	1	3	2	1			2	2		1		12
91 - 100 units	No of units		93	284	94		100	291		100	97		1,059
	No of villages		1	4	1		1	3		1	1		12
101 - 110 units	No of units		420		101			206				101	828
	No of villages		4		1			2				1	8
111 - 120 units	No of units	119		118			119		114		111		581
	No of villages	1		1			1		1		1		5
121 - 130 units	No of units		124		130		244						498
	No of villages		1		1		2						4
131 - 140 units	No of units	133	134	140			140			134			681
	No of villages	1	1	1			1			1			5

RVA MEMBER VILLAGES BY REGION AND VILLAGE SIZE

Village Size		Northland	Auckland	Waikato	Bay of Plenty	Taranaki	Hawkes Bay - East Coast	Manawatu - Wanganui	Wairarapa - Wellington - Kapiti	Nelson - Marlborough	Canterbury	Otago - Southland	Total
141 - 150 units	No of units		442	290	292			145	149			149	1,467
	No of villages		3	2	2			1	1			1	10
151 - 160 units	No of units		156				151		160		319		786
	No of villages		1				1		1		2		5
161 - 170 units	No of units		168					161	167				496
	No of villages		1					1	1				3
171 - 180 units	No of units					174			356				530
	No of villages					1			2				3
181 - 190 units	No of units		559		189								748
	No of villages		3		1								4
191 - 200 units	No of units		800	198					193	199			1,390
	No of villages		5	1					1	1			8
201 - 210 units	No of units		201		206				209	207			823
	No of villages		1		1				1	1			4
211 - 220 units	No of units		431	218			212						861
	No of villages		2	1			1						4
221 - 230 units	No of units		445						225				670
	No of villages		2						1				3
231 - 240 units	No of units				471								471
	No of villages				2								2
241 - 250 units	No of units		245						248				493
	No of villages		1						1				2
251 - 350 units	No of units	254	1,423		251						264	267	2,459
	No of villages	1	5		1						1	1	9
350 + units	No of units		742										742
	No of villages		2										2
Total Number of Units		830	7,776	1,844	2,871	612	1,370	1,332	2,365	1,010	2,357	869	23,236
Total Number of Villages		18	70	24	38	11	21	23	26	16	54	15	316

RVA Board Members



MARGARET OWENS – PRESIDENT

Margaret Owens is the Director of Independent Living for Bupa Care Services and has been an elected member of the RVA Executive since 2004. Margaret was elected as President of the RVA in June 2012. Margaret is the Chair of the Catholic Caring Foundation and Deputy Chair of the Telecare Services Association of New Zealand. Past Board experience has included four years as Chair of the Board of Trustees at Marist College. She is currently the Policy Coordinator for the Epsom Branch of the National Party.

Margaret has held various positions in the industry over the last 23 years and provided operational advice as an industry consultant which was particularly important to members during the changes brought about by the new legislation in 2007 and 2008.

Having worked for both small and large organisations in the sector, Margaret understands the importance of representing the wide range of village offerings under the RVA banner and feels it is important for the RVA to represent operators on all issues that relate to the operation of their businesses, maximising opportunities to influence politicians and government officials to gain good outcomes for the operators and in turn, their residents.



GRAHAM WILKINSON – VICE PRESIDENT

Graham Wilkinson has been involved in the retirement village industry since 1994 and on the Executive of the RVA since 1997. He is currently developing villages in Auckland, Mt Maunganui and Christchurch. Graham also owns hotels and other property assets throughout New Zealand. He holds the qualifications of B Com, ACA and MBA.



NORAH BARLOW – IMMEDIATE PAST PRESIDENT

Norah has been the Chief Executive Officer leading Summerset since 2001. During this time the business has evolved from a relatively small operator primarily on the Kapiti Coast to now being a national provider, the third largest operator and second largest developer in the industry.

Norah is an accountant by profession and has an extensive background in business leadership and management, including tax, all aspects of the accounting function, governance, business and corporate finance and strategy.

Norah's experience and intimate knowledge of the sector is reflected in her position as President of the RVA, a position she has held for the past five years. She was involved with the formation of the Retirement Villages Act and has been instrumental in leading the sector's approach to the formation of the Code of Practice from 2004 to its completion in 2008. Norah has an exceptionally strong reputation in the industry across Australasia.



MICHELLE BURKE

Michelle is a partner of Burke Melrose Lawyers. Michelle provides specialist legal advice for retirement village and aged care developments on ownership structures, operational issues, statutory compliance, and property developments.

Recognised nationally as a leading practitioner in this field, Michelle has worked with retirement village operators, developers, statutory supervisors and residents for over 20 years. Over this time, Michelle has seen the industry grow and has worked with her clients and the RVA to address many of the issues faced by the industry. Michelle has actively contributed to the Association with her work on the complaints, education, accreditation and legalisation sub-committees.

A principal aim of the RVA is to achieve a high standard of professionalism in representing and setting standards for its members. Michelle will be able to draw on her extensive experience to support the RVA in achieving this goal.



JULIAN COOK

Julian joined Summerset in 2010 from Macquarie Bank where he worked for 11 years in investment banking.

Julian has a sound understanding of the retirement village sector, having advised a number of clients in the industry while at Macquarie. Julian is currently a member of the Executive team for the Retirement Village Association.

He holds a Masters of Applied Finance as well as a number of other degrees from Victoria and Waikato Universities. Julian's areas of responsibility at Summerset include finance, funding, legal, IT and strategy.



BRUCE CULLINGTON

Bruce has been the Village Manager of Acacia Cove Village for nearly 13 years. It is a privately owned lifestyle Village situated on the beautiful Wattle Downs peninsula in Auckland. The village has 217 dwellings occupied by 309 residents.

Prior to this he worked in real estate and before that in local Government.

He has extensive experience on various Boards, having been Secretary of the National Maritime Museum and also chaired and been secretary of two other charitable trusts. He won the RVA/Insite Manager of the Year title in 2010. Bruce is currently the Chairman of one private company and a director of another.

He is the convenor of the Auckland RVA Manager's forum and he formed and chairs the Auckland Independent Managers Group.



ALAN EDWARDS - MBL, BA, HED

Alan brings a wealth of experience and leadership skills to Metlifecare in his capacity as Managing Director and CEO. He has significant experience in senior executive, general management and organisational development roles and has spent over fourteen years leading companies in the retirement village industry. At Metlifecare, his role encompasses the planning, development and implementation of the Company's exciting growth strategy. Alan leads by example, and his empathy for older people and passion to deliver quality aged care options is reflected at all levels of the Metlifecare business.

During the past 14 years Alan has grown into a passionate advocate of the benefits associated with the retirement village industry and firmly believes that there is capacity to significantly increase penetration rates in the industry. Alan holds a Master of Business Leadership from the University of South Africa and Bachelor of Arts from the Nelson Mandela Metropolitan University.



CHARLIE HAND

Charlie Hand has been an owner/operator of aged care facilities since 2000. Charlie has a strong background in corporate sales management and energy consulting and has been involved in the management of businesses for 1995. As a successful business owner Charlie brings practical hands on experience to the executive. This combined with a wealth of experience across a range of industries gives Charlie a wide ranging set of skills to add to the executive.

Charlie and wife Carol own and manage Wendover Retirement Village in Papanui, Christchurch. This is a smaller village comprising of a rest home and serviced apartments. The facility has undergone extensive renovation and expanded four years ago with the addition of the serviced apartments. Charlie is well aware of the challenges facing the retirement village and aged care industry and particularly the challenges faced by the smaller operators.

Charlie was appointed to the executive last year and is currently a serving member of the NZ Aged Care Association (Canterbury Branch) Committee.



JEREMY LEACH

Jeremy has been the GM Marketing & Village Operations for the Oceania Group since the company was formed in 2008. Over this time Oceania has merged a number of large and small companies to become a significant operator in the retirement village and senior care sectors in New Zealand.

After an early career in retail Jeremy joined BP in 1986, and worked for them until 2008. During his time with BP he had various roles in sales, marketing and management which took him and his family to Australia, USA and the UK. After nearly 9 years living overseas a desire to settle back in New Zealand led to the decision to join the retirement village sector. He believes the sector provides a fantastic service to Senior New Zealanders, and he sees a very bright future for the industry. He is also a director of a privately owned tourism business in Rotorua.



GORDON MACLEOD

Gordon MacLeod is the Chief Financial Officer of Ryman Healthcare, an NZX 10 listed Company which develops, owns and operates retirement villages throughout New Zealand, serving more than 4500 residents. Previously, Gordon was a Corporate Finance of PwC, and was also the Financial Director of a London-listed hi-tech engineering company based in Cambridge, England.



GARRY SMITH

Garry is Chief Executive Officer of The Selwyn Foundation, an independent charitable trust with Christian values and one of New Zealand's largest, not-for-profit providers of retirement living, residential aged care and community services to the over 65s. Garry has more than twenty years' experience of the health sector, having held senior positions with healthcare organisations throughout New Zealand. Prior to his appointment to The Selwyn Foundation in April 2012, he had been CEO for nine years of the country's largest health board, Auckland District Health Board. A qualified accountant, he has expertise in management, planning, accounting and finance, as well as experience of the banking industry. Garry is passionate about providing ethical and values-based services for older people and ensuring that services are delivered with integrity, warmth and respect for the individual at all times.

PKF Goldsmith Fox Audit
Chartered Accountants



Independent Audit Report

To the Members of the Retirement Villages Association of New Zealand Inc

Report on the Financial Statements

We have audited the financial statements of the Retirement Villages Association of New Zealand Inc on pages 14 to 18 which comprise the Statement of Financial Position as at 31 March 2015, the Statement of Financial Performance, the Statement of Movements in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Executive's Responsibilities for the Financial Statements

The Executive are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate and for such internal control as the Executive determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view of the matters to which they relate 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditors our only other relationship is we are associate members of the Association.

Opinion

In our opinion, the financial statements present fairly, in all material respects the financial position of Retirement Villages Association of New Zealand Inc as at 31 March 2015, and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.

Our audit was completed on 5 June 2015 and our opinion is expressed as at that date.

PKF Goldsmith Fox Audit.

Christchurch
New Zealand

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2015	2014
For year end 31 March 2015		\$	\$
INCOME			
Subscriptions			
Membership Fees		423,792	415,026
Conference Income			
Conference Registrations		226,706	166,636
Conference Stands		108,446	49,605
Dinner Tickets		28,470	23,660
Sponsorship		109,065	96,122
Golf, Tours and sundry Conf. Inc		25,070	19,700
Other Income			
TradeMe Net Commission		14,857	16,942
Advertising		11,990	11,885
Manager of the Year		-	4,500
Sponsorship		7,616	7,500
Education Seminars		13,573	6,418
Regional Managers Functions		66	2,170
Insurance Commission		32,085	40,294
Interest Received		28,047	16,947
Choral Festival (2014) 25th Anniversary income (2015)		867	20,252
TOTAL INCOME		1,030,650	897,657
LESS EXPENSES			
Executive Committee Expenses			
Accommodation, Travel and Meals		7,941	6,749
Honorarium		13,000	13,000
Executive Director and Manager Expenses			
Travel and Accommodation		46,813	40,001
Conference Expenses			
Conference Expenses		238,495	254,482
Other Expenses			
ACC Levies		874	970
Accounting Fees		18,020	12,804
AdviceWise - Members Service		13,482	14,606
Annual Report		1,975	1,165
Audit Fee & Tax Assessment		18,451	9,350
Bad Debts		1,145	452
Bank Fees & Charges		1,505	1,158
IT & Database Support		9,720	14,218
Postage & Stationery		3,654	2,377
Public Relations/Media		68,047	13,971
Insurance		1,676	5,229
Subtotal		444,798	390,532

This statement is to be read in conjunction with the Notes to the Financial Statements and the Audit Report.

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2015	2014
For year end 31 March 2015		\$	\$
Subtotal continued:		444,798	390,532
Other Expenses - continued			
Photocopier Lease Charges		9,118	6,962
Legal Fees		3,302	35,494
Membership Services /Stakeholder engagement		15,174	15,884
Office Operating Expenses		14,889	13,629
Research		17,645	-
Rent		22,400	22,200
RVA Manager of the Year		-	2,500
Choral Festival		-	29,233
Seminars and Training Events		15,916	4,105
Staff Salaries		317,535	322,312
Subscriptions		7,528	10,546
Website Maintenance		8,389	3,866
		876,694	857,263
TradeMe		-	-
IRD Penalties / Interest		-	-10
Donations and Gifts		3,292	300
Depreciation		3,176	4,329
TOTAL EXPENSES		883,162	861,882
NET OPERATING SURPLUS/ (DEFICIT) BEFORE TAX		147,488	35,775
Tax Payable		39,133	(3,671)
NET OPERATING SURPLUS/(DEFICIT) FOR THE YEAR		108,355	32,104

This statement is to be read in conjunction with the Notes to the Financial Statements and the Audit Report.

STATEMENT OF MOVEMENTS IN EQUITY

	Note	2015	2014
For the Year ended 31 March 2014		\$	\$
Opening Balance		346,178	314,074
Net Operating Profit/(Loss) for the Year		108,355	32,104
Total Recognised Revenues and Expenses		454,533	32,104
Closing Balance		454,533	346,178

This statement is to be read in conjunction with the Notes to the Financial Statements and the Audit Report.

STATEMENT OF FINANCIAL POSITION

	Note	2015	2014
As at 31 March 2015		\$	\$
CURRENT ASSETS			
ANZ - Current A/c		99,362	50,802
ANZ - Premium Call account		89	81
ANZ - Foreign Currency -AUD A/c		9,486	18
ANZ Interest Bearing Deposits		404,936	400,000
ANZ - Trade Me A/c		46,813	7,307
Sundry Debtors		154,389	149,996
Prepaid Expenses - Conference and sundry		173,342	61,126
Interest Receivable		14,489	3,868
Commission Receivable		13,542	11,005
Taxation Refund Due		0	6,837
TOTAL CURRENT ASSETS		916,448	691,040
CURRENT LIABILITIES			
Sundry Creditors		135,468	57,109
Accruals		31,514	36,441
Conference Prepaid Income		292,442	232,432
GST due		2,776	22,693
Tax Payable		3,273	-
TOTAL CURRENT LIABILITIES		465,473	348,675
NET CURRENT ASSETS		450,975	342,365
NON CURRENT ASSETS			
Fixed Assets	3	3,558	3,813
NET ASSETS		454,533	346,178
REPRESENTED BY:			
ACCUMULATED FUNDS			
RESERVES			
Balance Carried forward		346,178	314,074
RETAINED EARNINGS		108,355	32,104
TOTAL ASSOCIATION FUNDS		454,533	346,178

President _____

Date 5 June 2015

This statement is to be read in conjunction with the Notes to the Financial Statements and the Audit Report.

Executive Director _____

Date 5 June 2015

RETIREMENT VILLAGES ASSOCIATION OF NEW ZEALAND INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 MARCH 2015

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

The reporting entity is registered under the Incorporated Society Act 1908.

The Committee consider the Association to be a Not For Profit organisation and therefore the Financials have been prepared on this basis.

The Financial Statements of the Retirement Villages Association of New Zealand Inc have been prepared in accordance with Generally Accepted Accounting Practice In New Zealand (NZ GAAP)

The financial statements for the year ended 31 March 2015 were authorised for issue in accordance with a resolution of the Executive Committee on 4 June 2015

DESCRIPTION OF OPERATIONS AND PRINCIPAL ACTIVITIES

The Retirement Villages Association is a membership organisation comprising village operators and other trading entities who deliver goods and services to the village operators.

Our main activities include lobbying regional and central Government, delivery of member services encompassing education, compliance, information and operational support.

REGISTERED OFFICE

Level 5, Petherick Tower, 38 -42 Waring Taylor Street, Wellington. New Zealand.

DIFFERENTIAL REPORTING

The Retirement Villages Association of New Zealand Incorporated qualifies for differential reporting by virtue of the fact that it has no public accountability and it is not large (as defined by framework). The Association has taken advantage of all available differential reporting exemptions.

MEASUREMENT BASE

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed by the Association.

The functional and presentation currency is New Zealand dollars rounded to the nearest dollar.

SPECIFIC ACCOUNTING POLICIES

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied.

A. GST

These accounts have been prepared on a GST exclusive basis. The Statement of Financial Position items are disclosed GST inclusive where appropriate.

B. FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation

C. DEPRECIATION

Office furniture and mobile phones have been fully depreciated.

Depreciation is provided for at rates calculated to allocate the assets cost, less estimated residual value, over their estimated useful lives.

Computer Equipment 25 - 50% DV

D. TAXATION

Income tax is accounted for using the taxes payable method. The income tax expense charged to the Statement of Financial Performance is the estimated tax payable in the current year, adusted for any differences between the estimated and actual tax payable in prior years.

1.	E.	SUNDRY DEBTORS		
		Sundry Debtors are stated at estimated realisable value.		
	F.	SUBSCRIPTIONS		
		Membership Fees are recorded as income in the year they are due.		
	G.	CHANGES IN ACCOUNTING POLICIES		
	The accounting policies have been consistently applied throughout the years covered by these financial statements			
H.	RELATED PARTY TRANSACTIONS			
	All transactions carried out during the year between related parties were made on terms equivalent to those that prevail in arm's length transactions. No related party debts have been written off or forgiven during the year.			
I.	FOREIGN CURRENCY TRANSACTIONS			
	Transactions in foreign currencies are translated at the foreign exchange rate ruling on the date of the transaction. Foreign currency balances are recorded at the rate of exchange ruling at the balance date.			
2.	TAXATION			
	The Association has no losses to carry forward.			
3.			2015	2014
	FIXED ASSETS		\$	\$
	OFFICE EQUIPMENT			
	Cost		16,609	16,609
	Less Accumulated Depreciation		16,609	16,609
	Closing Book Value		-	-
	COMPUTER EQUIPMENT			
	Cost		77,300	75,090
	Less Accumulated Depreciation		73,742	71,277
	Closing Book Value		3,558	3,813
TOTAL FIXED ASSETS		\$3,558	\$3,813	
4.	CONTINGENT LIABILITIES			
	There were no contingent liabilities at balance date.			
5.	COMMITMENTS			
	OPERATING LEASE COMMITMENTS			
	Lease commitments under operating leases:		2015	2014
			\$	\$
	Current (Within 1 Year)		15,695	26,895
Non-Current		8,616	24,342	
		24,311	51,237	

BUDGET FOR FINANCIAL YEAR 2015-2016

INCOME		\$
Subscriptions -		
• Villages - 315		362,360
• Associates - 146		96,400
Conference Income		424,485
Bank Interest		23,409
Education Seminars		
• e-Learning portal		21,000
Insurance Commissions		40,000
Trade Me commission		14,400
Sponsorship Managers Forums		7,280
Advertising		
• E mail news letter		14,400
Total income		1,003,734
EXPENDITURE		1,300
RVA Audit & accounting charges		
• Bookworks; PKFGF & Pieter Holl		61,400
Bank Charges - account operation		480
Computer and database support		13,800
Conference expenses		271,040
Executive Committee Expenses		10,800
Executive Dir / Assn Expenses		
• Travel, accom		36,000
• O'seas travel		17,000
Honorarium		
• President		10,000
• Chair Displinary Auth		3,000
RVA Insurance		7,900
Legal and Consultancy		
• Legal Exp		10,200
• Advicewise		15,000

Depreciation	200
Office operating expenses	
• Power	1,800
• Cleaning	1,800
• Repairs and Maintenance	1,200
• Telephone	6,600
• Misc supplies	6,600
• Office Rent	25,440
• Postage and Courier	3,960
Photocopier - Xerox lease & expenses	12,000
Printing and design	
• Annual report	2,500
• Letterhead, cards	1,200
Communication & Research	
• Entertainment	3,000
• PR Advertising	64,800
• Stakeholder engagement	13,200
• Research	5,000
Member Services	
• Seminars and training events	30,000
• Subscriptions (mags & orgs)	12,000
Salaries, including PAYE & Kiwisaver	308,352
• Gross Salaries	
• Recruitment costs	5,000
• Casual Staff	1,000
• Staff Training	2,000
Technology	
• Web Site hosting & maintenance	7,200
• Website development	5,000
RWT, IRD, Gifts & bad debts	8,298
Total Expenditure	986,070
Excess income over expenditure	17,664



Retirement Villages Association

Retirement Villages Association Of New Zealand Inc.