2017

ANNUAL REPORT

RVA
NEW ZEALAND
Retirement Villages Association

Retirement Villages Association Of New Zealand Inc.

RVA NEW ZEALAND Retirement Villages Association

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RETIREMENT VILLAGES ASSOCIATION

President's Report 2016-2017

For our industry, it's been another very big year. Development and sales continue at record records, another one of our members goes public, and the RVA involves itself in a myriad of issues around legislation, resource management, public relations, research and education, both of its members and the public, while still organizing the annual conference, and dealing with resident complaints.

Thankfully, the latter are still de minimis in relation to the number of village residents, which is testament to both our business model and our member's competence. However, we need to be mindful of the adage; its takes years to build a reputation and only a moment to lose it.

Over the next few years, we are likely to face some head winds with increasing interest rates, slowing house price increases and construction bottlenecks, but are shielded to some extent by the imminent demographic surge of our target market and the general, if sometimes begrudging, acceptance by commentators that our product provides satisfaction at unprecedented levels.

One emerging trend is for care beds with ORA's, albeit currently still at a modest level. We will need to observe and see what issues may arise as care facilities engage in a model that we have familiarity with, and ensure that it does not negatively affect the operation or perception of villages.

While active in many areas, the RVA primarily exists to represent the interests of its members, village developers and operators. We continually endeavor to push back on the encroachment of regulations such as the recent introduction of mandatory reporting of complaints to the Retirement Commissioner. While we accept that having a structured database of complaints may assist an analysis of common issues, the process has the potential to become unwieldy and incorrectly interpreted. It is up to you, the members who comprise our industry, to ensure that residents are sincerely listened to and their issues, no matter how small, are dealt with sympathetically and fully. We believe it is likely the Retirement Commissioner will plan her next steps based on the results of this initiative and it is important that we demonstrate the expertise and empathy to deal with resident complaints fairly and appropriately should they arise.

Lastly, 2016 was one of the most informative and stimulating conferences that the RVA has organized. It is a difficult task to continually raise the bar in relevance and interest, but I believe we have achieved it with a "vivid" Sydney 2017. We have an unprecedented lineup of experience giving their views on the industry.

Best wishes to all members for the forthcoming year and remember that your actions today will determine the rewards you receive in the future.

Graham Wilkinson
President,
Retirement Villages Association

RETIREMENT VILLAGES ASSOCIATION

2016 Annual Report – Executive Director

A couple of months ago we received the latest White Paper published by Jones Lang LaSalle on the retirement village sector. This is the fifth in what's becoming an important fact sheet on the sector in a variety of different ways, recording in one place matters as diverse as the number of residents, penetration rates by region, who's built what, the development pipeline and the reasons why the sector continues to develop at a dramatic rate.

According to the writers, the national penetration rate now stands at 12.4% of the +75 population. Naturally that varies from region to region – but unsurprisingly, the Bay of Plenty leads the way with a penetration rate of 17.4% of the +75 population, followed by Auckland at 15.1% and Wellington at 14.3%. This rate has increased from around 9% just five years ago and continues to increase each year. The sector is building 36 units each week to keep up with the demand.

The White Paper is also an important public relations tool for the RVA. Copies were posted to all mayors following last year's local body elections and to all MPs a week or so after its release. Each copy was accompanied by a personalised letter pointing out the highlights in each Territorial Local Authority or region and inviting the recipient to meet with us to have a chat about how villages are an economic force for good in their area. Happily, quite a few took up the invitation!

As we travel around the country we take the opportunity to meet with local journalists to talk about how retirement villages are meeting a variety of social needs. We point out that every unit built releases another house to the housing market for a family to move into, how moving to a retirement village can release tens of thousands of dollars in pent-up equity, thereby dramatically improving a retired person's income and quality of life, and how villages combat ills such as social isolation. In every case the reports have been positive and fulsome, thereby reinforcing the benefits of village life. We hope that these articles help drive demand and combat prejudice and ignorance about the sector.

Another important element in our on-going PR activities is our involvement with the Retirement Commissioner's public education campaigns around living in a retirement village. I noted these in last year's Annual Report, and the programme has continued this year. We've been involved in all the public seminars from Kerikeri to Invercargill, around 45 in total, and we've spoken to around 4,500 intending residents, their families, or people interested in what retirement villages have to offer.

Legislation and Policy

We've regularly noted that the New Zealand regulatory regime offers world-leading consumer protection for residents and intending residents of retirement villages. As further evidence, we were pleased to work with the Australian Retirement Living Council on refining their accreditation scheme, based on our auditing regime. We produced a summary of our system, noting that officials and MPs find that our system is credible and they do not see a need to create an official audit programme in parallel with ours.

We reinforced this message at several international conferences and in email exchanges with other retirement village organisations in Asia and Europe.

The Retirement Commissioner's monitoring report into the complaints and disputes process in the Code of Practice came to an end this year, after extensive consultation with stakeholders, including the Association. The revised complaints system, with an upgraded mediation step, a clearer definition of "formal" complaints and a new six-monthly reporting process for operators came into effect on 1 April 2017. The RVA ran a series of webinar training sessions as well as briefings at Policy and Finance Forums and other arenas. We also updated our model complaints policy that has been welcomed by the membership.

This year's monitoring review is into the quality of the legal advice offered intending residents. While this doesn't directly affect operators, we await the outcome with considerable interest.

The Association also produced a "plain English" edit of the Code of Practice and sent that to the Commissioner. Apart from a huge number of formatting edits, the majority of the Code came out well, with a few longer sentences shortened and some details clarified. The Commissioner will take our edit into account when producing their own "plain English" version, and we expect they will consult on this work during 2017.

The Commission is also taking their education and consultation role seriously, with a series of forums exclusively for residents and an annual event for all stakeholders.

Aware that the array of documents handed out to intending residents mostly serve to confuse than enlighten, the Association worked hard to produce a "Key Terms Summary" which encapsulates in a template 11 key terms dealing with what a resident pays, what they get back and when, transfers within the village, and whether or not care is available. We are encouraging members to use the template which allows intending residents to compare one village's offering with others in a simple manner. We developed this as an industry self-management initiative, aware that if we didn't, the regulators would do so and we probably wouldn't like the result.

Use of the Key Terms document is voluntary but the Commissioner is making sure intending residents are aware of it and ask for it if it's not readily provided.

Last year we spent a lot of time on Resource Management matters. This year this topic has been much less in evidence, but the Association has seized the initiative to push the key message that retirement villages should be a "permitted" development in all residential areas rather than "discretionary", and that we are the answer to many problems around housing affordability and suitability for a rapidly-aging population. We took that argument to Timaru, Selwyn, and Wellington Councils.

We were delighted that a private member's bill in the Hon Ruth Dyson's name to extend the Rates Rebate Act to income-qualifying LTO residents was drawn from the hat and is working its way through the Parliamentary process. While nothing about Parliament is certain, we are optimistic that the Bill will be passed in 2018 and our residents can claim the financial relief they've missed out on.

The Ministry of Health produced its Healthy Ageing Strategy in December, into which the RVA had a considerable input via the Expert Advisory Group. While the key messages we sought weren't explicit in the text, the Strategy is clear that it wants to encourage DHBs and the health sector in general to improve the efficiency of health care delivery. We take that to include contracting retirement villages to deliver home-based support, for example, and we will continue to lobby DHBs to allow that to happen.

During the year the Government merged the fire service with the ambulances, creating a "Fire and Emergency Services" organisation. Over the years both elements have been inadequately-funded (by their terms anyway) and the Government is taking the opportunity to expand levy payments and payers to raise additional revenue. The RVA and Aged Care Association successfully argued that retirement villages and aged residential care facilities are clearly "residential" (the original documents put both in as "non-residential", with significant increases in levy costs as a result) and we are discussing with the Department of Internal Affairs how the levy might be structured.

Another policy initiative came from Land Information NZ, creating guidelines for addressing in retirement villages that included mandatory (but not backdated) requirements for naming roads and a consistent approach to numbering units and apartments.

We unsuccessfully lobbied to get an exemption for villages from the requirement to belong to Financial Services Disputes resolution scheme and are investigating options to benefit members as a result.

2016 Conference

After an Australian foray in 2015, our 2016 Conference was back in Auckland, at the Pullman Hotel. The Pullman provided a comfortable and classy venue for the 54 trade stands and 270 delegates, sponsors and partners. We continued and refined our conference phone app to drive engagement between the delegates and exhibitors, with two travel vouchers up for grabs for those who answered the requisite number of questions correctly.

Member activities

As in previous years, 24 regional forums were held around the country, along with two Policy and Finance Forums, a Not-for-Profit Forum and two Independent Villages Forums. All were well-supported by members and associates.

Our e-learning training in retirement village regulatory compliance continued. The programme is in three parts – Elements of the Code of Practice (aimed at everyone in a village who has contact with residents), Sales and Marketing, and Managing a Village. These are proving popular especially with independent members who have difficulty creating a comprehensive training programme from scratch.

As at 31 March 2017, the following statistics relate to the e-learning from its launch:

Course	Number enrolled	Number completed	% completion rate	Number of sponsors
Elements	252	168	66%	81
Sales	184	113	61%	67
Managing	164	100	61%	62

Our Advicewise employment helpline continues and we are grateful for the regular employment law updates the Advicewise team provide, as well as the free 0800 telephone line for members.

The joint venture with Trade Me Property is also a valuable service allowing members to advertise vacant units and promote their villages at a competitive price to the two million TradeMe members.

Finally, the strength of any organisation lies with its staff and I'd like to acknowledge and thank Ed, Roisin and Karen for their dedication and commitment to the Association and our members during the year.

We look forward to another productive year in 2017-18.

John Collyns

Executive Director

RVA MEMBER VILLAGES BY REGION AND LEGAL STRUCTURE

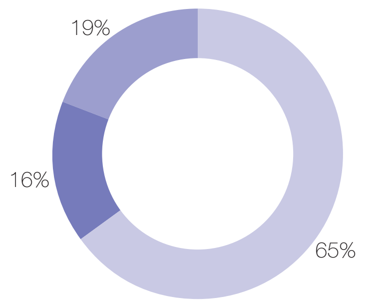
Region	Sector	Units	Villages
Auckland	COG	7882	55
Bay Of Plenty	COG	2517	26
Canterbury	COG	2791	40
Hawkes Bay - East Coast	COG	1285	16
Manawatu - Wanganui	COG	1224	14
Nelson - Marlborough	COG	1026	12
Northland	COG	804	7
Otago	COG	238	3
Southland	COG	357	7
Taranaki	COG	532	6
Waikato	COG	1615	20
Wellington	COG	2587	16
Total	**COG**	**22858**	**222**
Auckland	COI	723	12
Bay Of Plenty	COI	644	7
Canterbury	COI	726	15
Hawkes Bay - East Coast	COI	181	2
Manawatu - Wanganui	COI	150	5
Nelson - Marlborough	COI	152	3
Northland	COI	20	2
Otago	COI	383	3
Southland	COI	16	1
Taranaki	COI	142	2
Waikato	COI	259	2
Wellington	COI	119	2
Total	**COI**	**3515**	**56**
Auckland	NFP	1164	10
Bay Of Plenty	NFP	97	4
Canterbury	NFP	187	6
Hawkes Bay - East Coast	NFP	88	2
Manawatu - Wanganui	NFP	274	10
Nelson - Marlborough	NFP	33	1
Northland	NFP	304	10
Otago	NFP	37	3
Southland	NFP	65	3
Taranaki	NFP	183	3
Waikato	NFP	505	7
Wellington	NFP	575	6
Total	**NFP**	**3512**	**65**

TOTAL UNITS AND VILLAGES

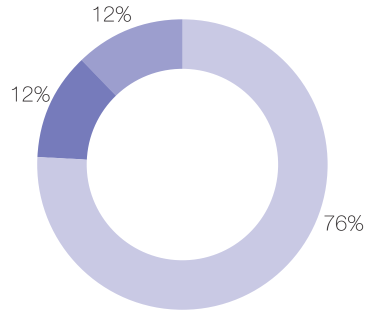
Region	Units	Villages
Auckland	9769	77
Bay Of Plenty	3258	37
Canterbury	3704	61
Hawkes Bay - East Coast	1554	20
Manawatu - Wanganui	1648	29
Nelson - Marlborough	1211	16
Northland	1128	19
Otago	658	9
Southland	438	11
Taranaki	857	11
Waikato	2379	29
Wellington	3281	24
Total	**29,885**	**343**

COG = Company Groups
COI = Company Individual
NFP= Not for Profit

NUMBER OF VILLAGES BY LEGAL STRUCTURE



NUMBER OF UNITS BY LEGAL STRUCTURE



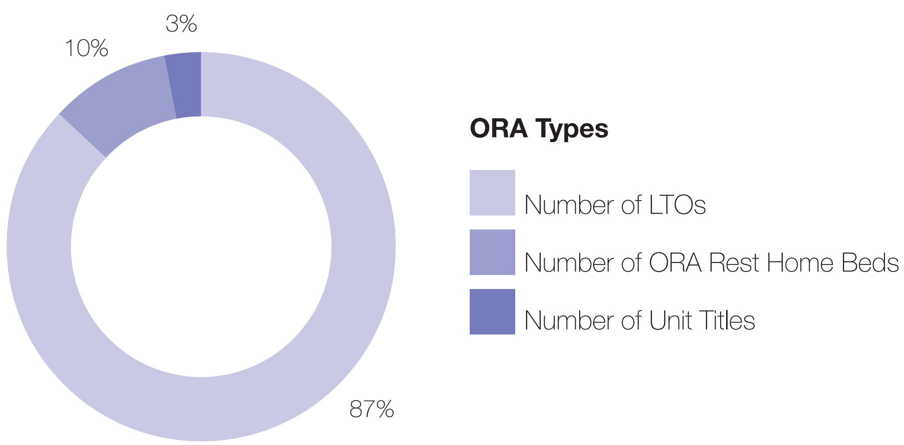
RVA MEMBER VILLAGES BY REGION AND VILLAGE SIZE

Village Size		Auckland	Bay of Plenty	Canterbury	Hawkes Bay - East Coast	Manawatu - Wanganui	Nelson - Marlborough	Northland	Otago	Southland	Taranaki	Waikato	Wellington	**Total**
0 - 10 units	Villages	6		5	3	5		3	3	1	1	3	1	**31**
	Units	10		44	14	24		27	20	10	9	26	8	**192**
11 - 20 units	Villages	6	4	9	4	5	2	6		5	2	3	3	**49**
	Units	83	61	126	49	87	25	99		90	36	42	45	**743**
21 - 30 units	Villages	3	6	7		3	3	1	1	2		1	2	**29**
	Units	83	158	183		81	90	23	22	47		22	47	**756**
31 - 40 units	Villages	7	2	10	2	2	1	3	1	1		3	1	**33**
	Units	251	67	335	64	68	33	113	32	34		110	32	**1139**
41 - 50 units	Villages	4	2	8		2	1					2	3	**22**
	Units	183	86	372		95	43					83	133	**995**
51 - 60 units	Villages	5	7	4	2	2	2					1		**23**
	Units	277	389	223	113	113	109					51		**1275**
61 - 70 units	Villages	2	1	5	1		2	1		1	4	2		**19**
	Units	133	61	333	69		120	68		62	267	129		**1242**
71 - 80 units	Villages	1				1	1				1			**4**
	Units	72				76	79				75			**302**
81 - 90 units	Villages	2	1	2	1	1		2				2		**11**
	Units	168	90	170	85	81		177				169		**940**
91 - 100 units	Villages	3	3	3		3					2	2	1	**17**
	Units	293	286	293		289					189	186	96	**1632**
101 - 110 units	Villages	4	1			1			2			1		**9**
	Units	418	105			102			206			101		**932**
111 - 120 units	Villages	3	1	1					1			2	2	**10**
	Units	345	111	116					111			236	232	**1151**
121 - 130 units	Villages		1	1	1			1						**4**
	Units		130	126	122			127						**505**
131 - 140 units	Villages	1		1		1	2					1		**6**
	Units	139		138		131	269					134		**811**

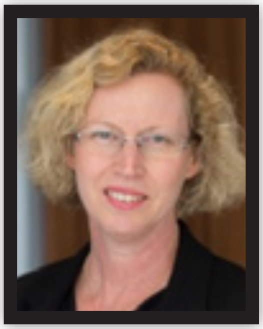
Village Size		Auckland	Bay of Plenty	Canterbury	Hawkes Bay - East Coast	Manawatu - Wanganui	Nelson - Marlborough	Northland	Otago	Southland	Taranaki	Waikato	Wellington	**Total**
141 - 150 units	Villages	2	3		2	1						3		**11**
	Units	287	434		288	146						434		**1589**
151 - 160 units	Villages	2			1	1								**4**
	Units	309			151	154								**614**
161 - 170 units	Villages	1		1				1					1	**4**
	Units	167		164				169					167	**667**
171 - 180 units	Villages				1		1							**2**
	Units				178		174							**352**
181 - 190 units	Villages	2										1	1	**4**
	Units	373										189	199	**761**
191 - 200 units	Villages	2	1	1	1					1		1		**7**
	Units	395	194	199	200					195		198		**1381**
201 - 210 units	Villages	2	1	1		1								**5**
	Units	402	206	210		201								**1019**
211 - 220 units	Villages	1												**1**
	Units	215												**215**
221 - 230 units	Villages	3			1								3	**7**
	Units	674			221								685	**1580**
231 - 240 units	Villages	1											1	**2**
	Units	235											235	**470**
241 - 250 units	Villages	4	1										1	**6**
	Units	984	249										247	**1480**
251 - 350 units	Villages	7	2	2			1	1	1		1	1	3	**19**
	Units	2078	631	672			269	325	267		281	269	796	**5588**
350 + units	Villages	3											1	**4**
	Units	1195											359	**1554**
Total Number of Villages		**77**	**37**	**61**	**20**	**29**	**16**	**19**	**9**	**11**	**11**	**29**	**24**	**343**
Total Number of Units		**9769**	**3258**	**3704**	**1554**	**1648**	**1211**	**1128**	**658**	**438**	**857**	**2379**	**3281**	**29885**

RVA MEMBER VILLAGES BY REGION WITH ORA TYPES

Region	Number of Villages	Number of Units	Median Number of Units	ORA Types: Number of LTOs	ORA Types: Number of ORA Rest Home Beds	ORA Types: Number of Unit Titles
Auckland	77	9769	127	8818	935	74
Bay of Plenty	37	3258	88	2817	135	247
Canterbury	61	3704	61	2992	631	63
Hawkes Bay - East Coast	20	1554	78	1306	128	0
Manawatu - Wanganui	29	1648	57	1289	163	127
Nelson - Malborough	16	1211	76	1106	148	20
Northland	19	1128	59	942	82	2
Otago	9	658	73	544	64	83
Southland	11	438	40	359	46	11
Taranaki	11	857	78	728	107	2
Waikato	29	2379	82	2015	96	155
Wellington	24	3281	137	2797	431	48
Totals	**343**	**29885**	**87**	**25713**	**2966**	**832**



RVA Executive Committee 2016 -17



MICHELLE BURKE
PARTNER, ANTHONY HARPER LAWYERS

Michelle practices as a partner at Anthony Harper Lawyers and is head of the team providing specialist legal advice in the areas of aged care and retirement villages. Prior to joining Anthony Harper Michelle was a founding partner of Burke Melrose.

She has been working in the retirement village sector since 1990 and have had the opportunity of watching an exciting sector grow in size and sophistication. Michelle has been privileged to serve as a board member of the RVA for the last 5 years and has actively participated at Board level and on specialist subcommittees including legislation, complaints, accreditation, governance and education.

Michelle acts for a broad range of retirement village clients; corporate, not for profit, large, small and in between. This enables her to consider issues from a sector-wide perspective.

Michelle is passionate about ensuring that people understand retirement villages and their benefits. She regularly shares her knowledge by presenting seminars to retirement village managers and the legal profession.

JULIAN COOK
CHIEF EXECUTIVE OFFICER, SUMMERSET GROUP

Julian is CEO of Summerset and has overall responsibility for the company and its strategy.

Julian joined Summerset in 2010 as Chief Financial Officer with responsibility for the finance, funding, legal, and IT teams. He has overseen Summerset become a publicly-listed company, first on the New Zealand Stock Exchange (NZX) in November 2011, and then the Australian Securities Exchange (ASX) in July 2013. It has also been a period of continued growth in the company.

Julian has been heavily involved in the company's strategy development, which has a focus on delivering vibrant villages, offering high quality care, and has respect for our customers at the core of our thinking. Summerset's goal is to be the first choice of retirement village living for all New Zealanders.

He is passionate about creating villages that enhance residents' lives, and about making sure older New Zealanders have an enjoyable retirement in communities built with their care and needs in mind.

Prior to joining Summerset Julian spent 11 years in the investment sector which included a significant amount of work with retirement village and aged care companies.

BRUCE CULLINGTON
VILLAGE MANAGER, ACACIA COVE

Bruce has been the Village Manager of Acacia Cove Village for 15 years. It is a privately owned lifestyle Village situated in South Auckland. The village has 223 dwellings occupied by 312 residents. Prior to this he was a successful real estate sales person and branch manager. 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.

Bruce is currently the Chairman of one private company and a director of another. He won the RVA/Insite Manager of the year competition in 2010. He was the convenor of the Auckland RVA Manager's forum for eight years and now chairs the forums for managers of independently owned and operated villages. Bruce has been on the RVA Executive since 2010.

EARL GASPARICH
CHIEF EXECUTIVE OFFICER, OCEANIA HEALTHCARE

Earl joined the Executive Committee of the RVA in June 2015 and has served on the education and PR sub-committees since that time, as well as attending all executive meetings. He has been CEO of Oceania Healthcare since August 2014. Oceania has 26 villages (approximately 1,000 units) amongst its portfolio of 50 aged care/ retirement village sites across New Zealand and is the fourth largest provider in the country. It is also the second largest provider of residential aged-care beds.

Over the past 15 years, Earl has held three executive management positions in service-based companies and has a proven track record of creating stakeholder value through leadership, cultural change, and sustained growth underpinned by a very strong work ethic. He has participated as a minor shareholder in two successful private equity investments during this time and takes genuine ownership in every role he holds.

Earl is a qualified Lawyer and Chartered Accountant, and was awarded Fellowship status from the New Zealand Institute of Chartered Accountants in September 2014. He also volunteers on the Board of a number of charities, providing necessary governance and a significant contribution to the strategic direction of organisations involved in the provision of community services.

GARRY SMITH
CHIEF EXECUTIVE OFFICER, SELWYN FOUNDATION

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.

GORDON MACLEOD
DEPUTY CHIEF EXECUTIVE / CFO, RYMAN HEALTHCARE

Gordon is the Deputy Chief Executive and CFO of Ryman Healthcare. Ryman cares for over 9000 residents across NZ and is expanding into Melbourne. With 30 villages and 4000 staff, Ryman is now one of the largest listed companies on NZX with a market capitalization of $4 billion. Before joining Ryman 10 years ago, Gordon was a Corporate Finance and Advisory Partner at PwC.

BILL MCDONALD
CHIEF EXECUTIVE OFFICER, ARVIDA GROUP

Bill is an experienced retirement and aged care specialist with 16 years' participation in the sector. He entered the aged care and retirement industry with a community owned organisation in country Victoria. Having successfully guided the organisation through the accreditation process, Bill was approached by the Buxton Group to assist in the development of an exclusive retirement housing brand. As a director and shareholder, Bill partnered the Buxton Group to develop and operate the highly acclaimed Rylands facilities in Melbourne. The three development projects were stand out commercial successes winning multiple awards from the Urban Development Institute of Australia and Australian Institute of Building. They are also recognised as benchmark retirement operations in Australia and internationally.

In early 2008 Stockland acquired the Rylands business with Bill joining Stockland in the executive role of Regional Operations Manager for Victoria, operating Stockland's 24 Retirement villages. Bill played a key directional role for the business as a member of the State Executive Committee.

In January 2011 Bill accepted the position of General Manager of ING's retirement assets in New Zealand. In this role, he operated and improved the village and aged care assets with a focus on preparing the business for sale, which occurred in November, 2011.

Since September 2014 Bill has been CEO of the Arvida Group which successfully listed on the NZX in December 2014 with 18 retirement villages and residential aged care facilities. Through acquisition, Arvida has grown to 26 facilities across New Zealand and has consolidated a position in the market with a reputation for high quality holistic care provision through a niche true continuum of care needs based product mix.

SIMON O'DOWD
MANAGING DIRECTOR, ALPINE RETIREMENT GROUP LTD, ALPINE VIEW CARE CENTRE LTD, ALPINE VIEW LIFESTYLE VILLAGE LTD, COASTAL VIEW LTD

Simon is currently a shareholder and Managing Director of the companies listed above, which cover resthome to retirement village levels of care and accommodation.

Simon has been Chairman of the New Zealand Aged Care Association for the last 21 years.

This is the National Association that represents the views and interests of the Aged Care sector. In this role Simon has had a lot of experience in Chairing meetings, and making representations to Ministers and their officials. As Chairman he is responsible for the Chief Executive Officer and his staff, based in the Associations Wellington office.

Simon has represented the NZACA at the ongoing negotiating meetings with the combined DHB representative group for more than ten years. Most recently he has been a part of the NZACA Group negotiating a settlement regarding the Equal Pay Case.

GRAHAM WILKINSON
CHIEF EXECUTIVE, GENERUS LIVING GROUP LIMITED

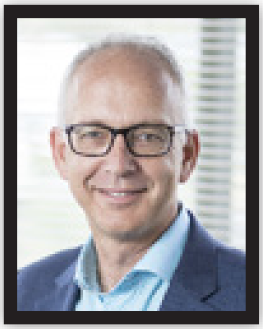
Graham Wilkinson is the Chief Executive of Generus Living Group Ltd, the developer and operator of boutique retirement villages. Currently the company is developing villages in Auckland, Bay of Plenty and Christchurch. Graham has been on the Executive of the RVA since 1997 and currently holds the position of President.

MARGARET OWENS
IMMEDIATE PAST 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 President of the RVA from June 2012 through to June 2015. Margaret is the Chair of the Catholic Caring Foundation and Chair of the Remuera Branch of the National Party. Past Board experience has included four years as Chair of the Board of Trustees at Marist College and one year as an independent director of a retirement village.

Margaret has held various positions in the industry over the last 26 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.



GLEN SOWRY
CEO METLIFECARE LTD

Glen brings broad and extensive experience in corporate leadership to his role as CEO of Metlifecare.

Prior to joining Metlifecare in April 2016, Glen was Chief Executive Officer of Housing New Zealand with 67,000 properties across the country. Under Glen's leadership, the organisation substantially lifted its property development capability and is on target to deliver over 840 new houses this financial year.

Before joining Housing New Zealand at the beginning of 2013, Glen held a number of senior executive roles at Air New Zealand over a 10 year period. Initially joining Air New Zealand as Head of Corporate Affairs and Government Relations, Glen subsequently ran the domestic and short haul international airlines where he oversaw a major financial and competitive turnaround of the Tasman network.

Glen held executive and senior management roles in media, marketing and public relations at Television New Zealand and Telecom prior to joining Air New Zealand.

Outside of work Glen is a highly accomplished sailor who was part of the team that won the Whitbread Round the World Yacht Race on Steinlager 2 in 1989/90 with Sir Peter Blake. He has sailed in many major events including four Round the World races, the America's Cup and finished fifth in the 2000 Sydney Olympics.

PKF Goldsmith Fox Audit
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Retirement Villages Association of New Zealand Inc (the Association), which comprise the statement of financial position as at 31 March 2017, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at 31 March 2017, and its financial performance and its cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR).

This report is made solely to the Association's members, as a body. Our audit work has been undertaken so that we might state to the Association's members those matters which we are required to state to them in the 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 Association's members, as a body, for our review procedures, for this report, or for the conclusion we have formed.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor and associate member of the Association we have no relationship with, or interests in, the Association.

Information Other than the Financial Statements and Auditor's Report

The Executive board members of the Association are responsible for the Annual Report, which includes information other than the financial statements and audit report which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. We have nothing to report in this regard.

Executive Board Members' Responsibilities for the Financial Statements

The Executive board members are responsible on behalf of the Association for the preparation and fair presentation of the financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime, and for such internal control as the Executive board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive board members are responsible, on behalf of the Association, for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive board members either intend to liquidate the Association or cease operations, or have no realistic alternative but to do so.

The Executive board members are responsible for overseeing the Association's financial reporting process.

PKF Goldsmith Fox Audit
Chartered Accountants

PKF

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive board members.

- Conclude on the appropriateness of the use of the going concern basis of accounting by the Executive board members and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the Executive board members with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Gordon Hansen.

PKF Goldsmith Fox Audit.

Christchurch, New Zealand

2 June 2017

STATEMENT OF COMPREHENSIVE INCOME			
For year end 31 March 2017			
	Note	**2017**	**2016**
		$	**$**
INCOME			
Subscriptions			
Membership Fees		460,759	434,849
Conference Income		502,947	444,485
Other Income		161,341	113,199
TOTAL INCOME		**1,125,047**	**992,533**
LESS EXPENSES			
Executive Committee Expenses			
Accommodation, Travel and Meals		5,062	4,056
Honorarium		13,000	10,000
Executive Director and Manager Expenses			
Travel and Accommodation		44,305	37,061
Conference Expenses			
Conference Expenses		231,144	341,371
Other Expenses			
ACC Levies		689	865
Accounting Fees		350	39,791
AdviceWise - Members Service		13,482	12,959
Annual Report		1,980	2,044
Audit Fee & Tax Return	4	19,762	21,836
Bad Debts		3,845	549
Bank Fees & Charges		1,130	1,619
IT & Database Support		11,342	15,282
Postage & Stationery		4,121	2,743
Public Relations/Media		43,198	41,393
Insurance		3,312	4,007
Subtotal		**396,722**	**535,576**

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

Goldsmith Fox PKF Audit

STATEMENT OF FINANCIAL PERFORMANCE			
For year end 31 March 2017			
		2017	**2016**
	Note	**$**	**$**
Subtotal continued:		396,722	535,576
Other Expenses - continued			
Photocopier Lease Charges		7,661	10,543
Legal Fees		9,983	21,191
Membership Services /Stakeholder engagement		14,349	8,377
Office Operating Expenses		20,590	19,204
Research		1,666	5,666
Rent		27,200	23,819
Seminars and Training Events		45,212	8,964
Staff Salaries		377,801	328,553
Subscriptions		9,952	8,080
Website Maintenance		6,118	8,915
		917,254	**978,888**
Donations and Gifts		-	361
Depreciation	11	12,323	19,923
TOTAL EXPENSES		**929,577**	**999,172**
Profit/(Loss) before Taxation		**195,470**	**(6,639)**
Income Tax Expense	3	**34,831**	**(5,004)**
Total Comprehensive Income		**160,639**	**(1,635)**

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

Goldsmith Fox Audit PKF

STATEMENT OF FINANCIAL POSITION			
For year end 31 March 2017	**Note**	**2017**	**2016**
		$	**$**
Current Assets			
ANZ - Current A/c		56,272	16,634
ANZ - Premium Call account		63,302	4,914
ANZ - Foreign Currency -AUD A/c		5,479	1,351
ANZ Interest Bearing Deposits		450,000	400,000
ANZ - Trade Me A/c		18,304	44,002
		593,357	**466,901**
Sundry Debtors	5	169,558	153,293
Prepaid Expenses - Conference and sundry		184,688	89,306
Interest Receivable		1,235	1,226
Commission Receivable		5,287	3,000
Taxation Refund Due	3	11,395	24,631
GST refundable		5,353	-
Total Current Assets		970,873	738,357
Current Liabilities			
Sundry Creditors		77,784	83,756
Accruals		43,159	40,197
Conference Prepaid Income		254,980	181,670
Gst Payable		-	5,020
Total Current Liabilities		375,923	310,643
Net Current Assets		594,950	427,714
Non Current Assets			
Fixed Assets	10	12,625	20,180
Deferred Tax Asset	3	5,962	5,004
Total Other Non-Current Assets			
Net Assets		613,537	452,898
Represented By:			
Balance Carried forward		452,898	454,533
Retained Earnings		160,639	(1,635)
Total Association Funds		**613,537**	**452,898**

President

02/06/17

Executive Director

02/06/17

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

Goldsmith Fox PKF Audit

STATEMENT OF CHANGES TO EQUITY

	Note	2017	2016
		$	$
Equity at Start of Period			
Retained Earnings		452,898	454,533
Total Equity at Start of Period		**452,898**	**454,533**
Profit/(Loss) for year		160,639	(1,635)
Total Comprehensive Income		**160,639**	**(1,635)**
Equity at End of Period			
Retained Earnings		160,639	(1,635)
Total Equity		**613,537**	**452,898**

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

Goldsmith Fox Audit PKF

STATEMENT OF CASH FLOWS			
Cash flows from Operational Activities	**Note**	**2017**	**2016**
Cash was received from:		**$**	**$**
Membership Subscriptions		439,141	435,945
Conference Income		407,565	528,521
Interest Income		21,093	33,343
Other Income		137,952	103,661
Cash was applied to			
Payments to acquire property, plant and equipment		(4,768)	(36,545)
Payments to suppliers and employees		(851,974)	(1,134,079)
Tax		(22,553)	(24,631)
Net Cash Flows from Operational Activities		**126,456**	**(93,785)**
Net Increase/(Decrease) in cash		**126,456**	**(93,785)**
Opening Cash		466,901	560,686
Closing Cash		593,357	466,901
Represented By			
Bank accounts and cash		593,357	466,901

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

Goldsmith Fox PKF Audit

RETIREMENT VILLAGES ASSOCIATION OF NEW ZEALAND INC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

The following notes should be read in conjunction with the attached financial statements.

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

The Retirement Villages Association (RVA) is incorporated and domiciled in New Zealand and is registered under Incorporated Society Act 1908.

The RVA is an Industry Body whose membership comprises Owners/Operators of Registered Retirement Villages and other trading entities (Associates) who deliver goods and services to village operators.

The Financial Statements for the year ended 31 March 2017 were authorised for issue by the President and Executive Director on 2 June 2017.

The entity does not have the power to amend these financial statements once issued.

Basis of Preparation

The RVA Executive have elected for Tier 2 For-Profit Accounting Standards to apply on the basis that the Association complies with the Tier 2 criteria under paragraph 19 External Reporting Board Standard A1 (XRB A1) as it does not have public accountability and is not large as defined in XRB A1.

The Financial Statements comply with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Requirements (Tier2) ("NZ IFRS RDR") and other applicable financial standards, as appropriate for profit-oriented entities.

The Financial Statements have been prepared under the historical cost convention.

The functional and presentation currency is New Zealand dollars.

Going Concern

The financial statements have been prepared using the going concern assumption.

Specific Accounting Policies

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

A.	**Revenue** Membership Fees are recorded as income in the year they are due. Interest revenue is recognised on an accruals basis using the effective interest method.
B.	**Expenses** Expenses are recognised when it is probable that any future economic benefit associated with the item will flow to or from the Association and when the item has a cost or value that can be measured reliably.
C.	**Interest Expense** Interest expense comprises interest payable on borrowings and is calculated using the effective interest rate method.
D.	**Taxation** The income tax expense recognised for the year includes both the current year provision and the income tax effects of timing differences, being deferred income tax. Income tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Goldsmith Fox Audit PKF

NOTES TO THE FINANCIAL STATEMENTS (continued)		
FOR THE YEAR ENDED 31 MARCH 2017		
1.	**D.**	**Taxation ctd.** Deferred income tax is provided in full, using the comparative balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements as per NZ IAS 12. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit. Deferred income tax is provided for using tax rates expected to apply in the period of settlement, based on tax rates enacted or substantially enacted at balance date. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.
	E.	**Goods and Services Tax** The financial statements are prepared on a GST exclusive basis except where the expenditure incurring the GST charge is one in respect of which a claim for recovery of the GST is not allowed by the Inland Revenue Department. In these cases and in respect of Accounts Receivable and Accounts Payable, the amounts include Goods and Services Tax (GST).
	F.	**Impairment** **Impairment – Non-Financial Assets** Assets other than investment properties and deferred tax assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. If the estimated recoverable amount of an asset is less than its carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognised in the Statement of Comprehensive Income unless the asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease. Any reversal of the impairment loss is recognised as income immediately unless the asset is carried at fair value in which case it would be treated as a revaluation increase.
	G.	**Financial Instruments** Financial instruments comprise accounts receivable, cash and cash equivalents, refundable occupation right agreements, related party advances and other financial liabilities. Non-derivate financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Association becomes party to the contractual provisions of the instrument. Financial assets are derecognised if the Association's contractual rights to the cash flows from the financial assets expire or if the Association transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Association's obligations specified in the contract expire, are discharged or are cancelled. The estimated fair values of the Association's financial instruments are considered to be materially the same as their carrying amounts as disclosed in the Statement of Financial Position.
	Trade and Other Payables Trade and other payables are measured at amortised cost, due to their short term nature they are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition, due to their short term nature their carrying value is assumed to approximate their fair value. **Interest Bearing Liabilities and Borrowing** All loans and borrowings are initially recognised at cost, being the fair value of the consideration received less directly attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. Gains or losses are recognised in the Statement of Comprehensive Income when liabilities are derecognised as well as through the amortisation process. Borrowings are classified as current liabilities unless the Association has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.	

Goldsmith Fox PKF Audit

NOTES TO THE FINANCIAL STATEMENTS (continued)		
FOR THE YEAR ENDED 31 MARCH 2017		
1.		**Receivables** Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.
	H.	**Cash Flows** Definitions of the terms used in the Statement of Cash Flows: "Cash and cash equivalents" comprise cash at bank and in hand, and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash. "Operating Activities" are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities. "Investing Activities" are those activities relating to the acquisition and disposal of investment property and any other non-current assets. "Financing Activities" are those activities relating to changes in the equity and debt capital structure of the Association and those activities relating to the cost of servicing the Association's equity capital. The Statement of Cash Flows has been prepared using the direct approach modified by netting certain items if required to give more meaningful disclosure.
	I.	**Comparative Figures** The comparative figures shown are for the year ended 31 March 2016.
	J.	**New Accounting Standards and Interpretations Adopted** **Changes in Accounting Policy and Disclosure** The accounting policies adopted are consistent with those of the previous financial year. **Adoption of new and revised Standards and Interpretations** The Association adopted all mandatory new and amended standards and interpretations in the current year. None of the new and amended standards and interpretations had a material impact on the measurement of the Association's assets and liabilities.The Association has elected Tier 2 For-Profit Accounting Standards and application of NZ IFRS RDR Impacting on disclosure only. **New Accounting standards and interpretations issued but not yet effective** At the date of authorisation of these Financial Statements, certain new standards, amendments and interpretations to existing standards have been issued which were not yet effective at Balance Sheet date, and which the Association has not early adopted. The Association has assessed the relevance of all such new standards, interpretations and amendments and has determined that there would be no material impact to the amounts recognised or disclosed in the financial statements.
2.	**CRITICAL ESTIMATES AND ACCOUNTING JUDGEMENTS**	
	A.	**Critical Accounting Estimates and Assumptions** Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will seldom equal the related actual results. The main estimates and assumptions concerning the future are: **Deferred Tax** Deferred tax assets and liabilities have been offset in accordance with NZ IAS 12 Income Taxes. Deferred tax assets are recognised for deductible temporary differences to the extent that management considers that it is probable that future taxable profits will be available to utilise those temporary differences. Deferred tax has been calculated on the assumption that there will be no change in tax law or circumstances of the Association that will result in tax losses not being available to the Association in the future. Information concerning this issue can be obtained from Note 3 to the financial statements.

Goldsmith Fox Audit PKF

NOTES TO THE FINANCIAL STATEMENTS (continued)			
FOR THE YEAR ENDED 31 MARCH 2017			
	TAXATION	**2017**	**2016**
3.	Profit/loss per financial statements	195,470	(6,790)
	Less non taxable items	(35,123)	(5,682)
	Less permanent differences	(531)	150
	Less temporary differences	(983)	(18,699)
	Taxable Profit/Loss for the year	158,833	(31,021)
	Less B/fwd Losses	(31,014)	
	Taxable Profit/Loss	127,819	
	Income Tax @28% on taxable profit/Loss	35,789	(8,686)
	DEFERRED TAXATION		
	Opening Balance	(5,004)	(1,553)
	Deferred Tax on Taxable Loss	-	(8,686)
	Movement due to temporary differences	(958)	5,235
	Closing Balance	(5,962)	(5,004)
	Total Taxation Charge	34,831	(5,004)
Taxable losses of $Nil (2016 - $31,021) are available to carry forward against future profits.			

4. AUDITOR REMUNERATION

PKF Goldsmith Fox fees for audit activity were $9900 During the financial year in report, we required PKFGF to undertake a non audit activity for the RVA. The cost of $350 is disclosed in the P & L under Non Audit Fees.

5. RECEIVABLES

As at balance date all Accounts Receivable were current and not yet due.

6. CONTINGENT LIABILITIES

As at balance date there were no Contingent Liabilities (2016 : Nil).

7. COMMITMENTS - Operating Lease Commitments

Lease commitments under operating leases	**2017**	**2016**
Current (within one year)	31,120	31,495
Non Current	46,085	77,206
	77,205	108,701

8. RELATED PARTY TRANSACTIONS

The RVA has no related party transactions to report in the last financial year (2016 - $Nil)

9. SIGNIFICANT EVENTS AFTER BALANCE DATE

There have not been any significant events since balance date to affect the results shown in these financial statements.

Goldsmith Fox PKF Audit

NOTES TO THE FINANCIAL STATEMENTS (continued)			
FOR THE YEAR ENDED 31 MARCH 2017			
	FIXED ASSETS	**2017**	**2016**
10.	**OFFICE EQUIPMENT**		
	Opening book value	-	-
	Cost b/fwd	17,320	17,320
	Additions/disposals	(1,542)	-
	Cost c/fwd	15,778	17,320
	Accumulated depreciation b/fwd	(17,320)	(17,320)
	Depreciation for the year	-	-
	Disposals	1,542	-
	Accumulated depreciation c/fwd	(15,778)	(17,320)
	Closing book value	-	-
	COMPUTER EQUIPMENT		
	Opening book value	20,180	3,558
	Cost b/fwd	96,525	59,981
	Additions/disposals	(15,486)	36,544
	Cost c/fwd	81,039	96,525
	Accumulated depreciation b/fwd	(76,345)	(56,422)
	Depreciation for the year	(12,323)	(19,923)
	Disposals	20,254	-
	Accumulated depreciation c/fwd	(68,414)	(76,345)
	Closing book value	12,625	20,180
	TOTAL FIXED ASSETS	**12,625**	**20,180**
11.	**DEPRECIATION**		
	Depreciation is provided for in the Statement of Financial Performance ona diminishing value basis over the estimated useful life of each asset using the rates permitted by the Income Tax Act 2007. The principal rates in use were:		
	Office equipment	9.6% - 80.4%	
	IT Equipment	25.0% - 67%	

RETIREMENT VILLAGES ASSOCIATION OF NZ INC	
Budget for Financial Year 2017-2018	
INCOME	
Membership Subscriptions	533,725
Conference Income	456,310
Other Income	161,804
Total income	**1,151,839**
EXPENDITURE	
ACC	690
RVA Audit & accounting charges	16,300
PKFGF Non Audit Fees	350
Bank Charges - account operation	-
Computer and database support	15,000
Conference expenses	323,567
Executive Committee Expenses	6,000
Executive Dir / Assn Expenses	42,000
Honorarium	13,000
RVA Insurance	5,600
Legal and Consultancy	31,600
Depreciation	-
Office operating expenses	64,462
Photocopier - Xerox lease & expenses	8,400
Printing and design	3,620
Communication & Research	44,220
Member Services	39,600
Salaries, including PAYE & Kiwisaver	391,532
Technology	6,300
Gifts & bad debts	1,200
Total Expenditure	1,013,441
Excess income over expenditure	138,398
Total Expenditure	**1,013,441**
Excess income over expenditure	**138,398**

RVA
NEW ZEALAND
Retirement Villages Association

Retirement Villages Association Of New Zealand Inc.