



2019

ANNUAL REPORT



Retirement Villages Association of New Zealand Inc.

CONTENTS

3	Presidents Report 2018/2019
4	2019 Annual Report – Executive Director
7	Sector Data
11	RVA Executive 2018/2019
15	Profit and Loss Statement
17	Statement of Changes in Equity
18	Balance Sheet
19	Notes to and forming part of the Financial Statements
24	Auditor's Report
25	Budget 2019/2020

RETIREMENT VILLAGES ASSOCIATION

PRESIDENT'S REPORT 2018-2019



The past year has been largely business-as-usual albeit some important if not headline events. In July, the Executive and local RVA members attended a Parliament

presentation of the 2018 PwC report into the economic benefits of retirement villages. The same report was leveraged considerably in the following months as our John Collyns visited regions and met with local media.

This was part of a strategy to inform stakeholders, including the Tax Working Group, that those calling for taxation changes to our sector were ill informed. It was with relief when we learnt our efforts had convinced several key players, and the dismissal of any CGT potential by the Prime Minister appears to have settled this issue for at least the foreseeable future.


Other regulatory changes are still possible. One that affects our publicly-listed members are changes to the approval process for purchasing land by the Overseas Investment Office. Representations have been made and we anticipate further interaction with the Minister to ensure a level playing field for all operators.

A welcome change was that conceded by the Auckland City Council with respect to Development Contributions. For many years, members have been unfairly penalized given the self-contained nature of villages and this has finally been recognized by New Zealand's largest local authority. We hope this may assist members in other jurisdictions where our growth could become a target for local government's desperate need for funds.

More recently, and results will be revealed at this conference, we have been researching exactly how New Zealand Inc perceives our industry. Having over 40,000 residents and numbers rapidly growing means our collective villages are quickly becoming larger than many New Zealand towns! What does this mean and how should we react are questions demanding our attention if we want to be influential in our "social license".

If we need any reminders of the importance of being front footed and vigilant, look no further than where we are hosting this conference. In most Australian states, compulsory buyback of village units is becoming a reality which can only negatively affect operators and existing residents. We do not see any potential for such misguided efforts in New Zealand, but it does require all operators to ensure they comply fully and openly with their obligations. The last round of complaint reporting to the CFFC suggests some operators can and must do better; or else the RVA must step up and review to protect the interests of the majority.

Lastly, a note that after many blue-sky years, the predicted slow-down in residential sales has arrived. While senior New Zealanders will still require and desire our product, no one is forecasting record setting years ahead. With a likely 4,000 - 5,000 units per year now requiring to be resold nationwide, some timing issues will become apparent; recognize that and adopt a strategy around marketing, communication and flexibility to ensure your residents and their families feel they have been given a "fair go". If you do that, it will stop you appearing on the television program of the same name.



Graham Wilkinson
President
NZ Retirement Village Association

29 May 2018

RETIREMENT VILLAGES ASSOCIATION

2019 Annual report – Executive Director

Overview



Last year I wrote about the housing supply situation and the (then) new Government's response to building capacity and new affordable homes. Since

then, their ambitious building programme has not fulfilled expectations, due, in part, through a chronic shortage of skilled tradespeople, suitable land, and red tape at Council level. The response was the creation of a new Government agency, the Ministry of Housing and Urban Development, tasked with cutting through the red tape and getting the bulldozers moving. At the time of writing this, not a lot of demonstrable progress has been made, but we all live in hope.

The same challenges around labour supply, land availability and council inertia have also constrained the retirement village sector, but despite that, in 2018, 17 new villages were started and 1,744 new units and apartments opened. Despite the progress, members tell us that it's still hard to get quality suppliers and cut through Council processes.

Last year we released our original research commissioned from PwC at a function in Parliament, which received considerable favourable publicity in national and local media. This year valuers Jones Lang LaSalle released their 2019 White Paper on the retirement village and aged care sector which shows

a robust development pipeline into the future. 96 existing villages plan to expand, plus 66 brand new villages with a total of 17,722 units are at some stage of the design, consenting or construction phase. The same report tells us that the demographics are still very much on our side, with the +75 aged population expected to increase by 469,170 people, or 149% between now and 2043. Even to keep pace with the current penetration rate of 13%, 1,877 units will need to be constructed annually over this 25-year period.

Reports that a residential property slowdown has arrived has also impacted on some village sales. As with the GFC (now nine years ago), members advise that the demand for villages hasn't gone away, it's just that intending residents are choosing their time to move carefully, in an attempt to maximise the value of their home before moving to the village. The importance of continued advertising and creative approaches to meet consumer demands are the order of the day.

After all, older peoples' needs remain constant – a warm, dry, age-appropriate place to live, friends and companionship on hand, enough money to live on and a pathway to care if required. Retirement villages meet these needs perfectly and a lot of time has been spent talking to stakeholder groups around the country stressing the benefits of village life. Many of these have been a joint venture with the CFFC; others have been at the invitation of diverse organisations such as Grey Power, Probus Clubs, Age Concern branches, Parkinson's Associations and others. Several thousand people in total, and hundreds of information packs (including a DVD) were sent to intending residents across NZ.

Legislation and policy

The year saw the CFFC's annual monitoring report into statutory supervisors released. There was not a lot of impact for operators directly, but the CFFC and the statutory supervisors have some internal housekeeping to look at. One area of deficiency for some villages is around Long-term Maintenance planning and, together with the supervisors, is being addressed with innovative app, etc.

The Government scratched a long-running itch in the housing market by effectively banning foreigners from owning existing housing stock. While the real impact of this move is debatable, there was an immediate impact on those village operators with a greater than 25% foreign shareholding. The RVA made extensive submissions on the Overseas Investment Amendment Bill and got a partial carve-out via a “standing consent” process (i.e. applications to purchase housing land that is not otherwise “sensitive” in the terms of the Overseas Investment Act get a fast-track process through the Overseas Investment Office, OIO). We also complained that the OIO’s process was slow and resulted in unnecessary costs. The Minister responded with an overhaul of the principal Act, which was part-way through the process at time of writing.

Last year’s legislative success, extending the Rates Rebates to income-eligible LTO residents, came into effect on 1 July 2018. A quick survey of members suggested that around 25% of residents took advantage of the Government’s rebate.

As the President noted, the year’s principal policy challenge was the Tax Working Group’s consideration of some alternative taxation instruments, including implementing a capital gains tax. There had been several headlines about the amount of tax paid by villages around the time the TWG was announced, and we had word that villages were in the TWG’s sights. The RVA commissioned a report from our tax advisors that explained the taxation regime for villages based on our business model, and noted that the sector was instrumental in meeting the government’s housing objectives. We were pleased that the TWG listened to our arguments and recommended that the status quo tax regime for villages remain. This is a very satisfactory outcome, even if the Prime Minister subsequently advised that a capital gains tax was “off the table” so long as she was in that role.

Towards the end of the year in review the Government announced a review of the Charities Act which could have implications for our not-for-profit members. Around 13% of the RVA’s members’ units are part of religious and welfare operators. We convened a working party

to look at the potential impact and a submission was sent in, emphasising that villages with a charitable mission rely on income for LTO sales to fund their missions. The results are not yet known.

Finally, the Trusts Bill has been reported back to the House with an acknowledgement that retirement villages have their own supervisory regime and allowing for regulations to be drafted if it is “too onerous” to comply with the Trust Bill’s provisions.

2018 events

Our 2018 Conference was held at Sky City Convention Centre, Auckland. 405 delegates attended, along with 63 trade stands. The conference theme focussed on individual development, with everyone completing their own Myers-Briggs personality profile and speakers talking about work-life balance, well-being, good staff management, and the like. The usual golf tournament, non-golfers’ tour, conference social events and a post-conference village tour were all part of the programme.

As there are a significant number of would-be village developers, we decided to hold an inaugural “Developers 101” forum in February, sponsored by the ANZ. 45 people registered and attended, with a waiting list of a further dozen or so. The agenda looked at a range of topics relevant to developing villages, from finding funds, the role of the statutory supervisor, valuers, regulators, resident issues, architects and a forum with three experienced operators talking about what makes a village successful. The forum’s success means that a repeat in early 2020 is very likely.

We also held two Policy and Finance Forums, sponsored by ANZ and second by EY. These attracted around 100 people at each (and have become a firm part of the RVA’s annual programme). Two Independent Villages forums were also held, one in Tauranga and one in Lower Hutt. Each attracted around 40 delegates from across the country. And finally, we held 24 regional forums at villages from Kerikeri to Invercargill, with guest speakers on a variety of topics.

The RVA's e-learning programme continues to be popular with members. The statistics as at 1 June 2019 are (2018 annual report numbers in brackets):

Course	Number enrolled	Number completed	Percentage completed
Elements	547 (392)	366 (256)	67% (65%)
Selling	424 (302)	266 (181)	63% (60%)
Managing	379 (273)	233 (152)	61% (56%)

Finally, as I always note, the strength of the Association lies in the commitment of its members, overseen by the Executive Committee. All are volunteers and are prepared to commit hours of time and expertise to ensuring the industry is in good hands, has a clear direction and a strong future.

I would like to thank the RVA's staff – Ed Thomas, Roisín Burns and Sharon Cossar – without whom the organisation would not be the success it has been.



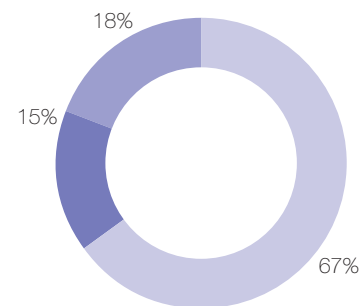
John Collyns
Executive Director

RVA Member Villages by Region and Legal Structure			
Region	Sector	No of Units	No of Villages
Auckland	COG	9057	67
Bay of Plenty	COG	3362	30
Canterbury	COG	2797	40
Hawkes Bay - East Coast	COG	1219	16
Manawatu - Wanganui	COG	1078	16
Nelson - Marlborough	COG	1013	12
Northland	COG	914	7
Otago	COG	243	5
Southland	COG	339	7
Taranaki	COG	603	7
Waikato	COG	1795	22
Wellington	COG	2390	16
Total	COG	24810	245
Auckland	COI	552	11
Bay of Plenty	COI	513	7
Canterbury	COI	867	14
Hawkes Bay - East Coast	COI	229	3
Manawatu - Wanganui	COI	186	2
Nelson - Marlborough	COI	207	3
Northland	COI	43	2
Otago	COI	526	5
Southland	COI	16	1
Taranaki	COI	81	1
Waikato	COI	289	3
Wellington	COI	133	3
TOTAL	COI	3642	55
Auckland	NFP	1214	11
Bay of Plenty	NFP	30	2
Canterbury	NFP	321	9
Hawkes Bay - East Coast	NFP	78	1
Manawatu - Wanganui	NFP	292	9
Nelson - Marlborough	NFP	33	1
Northland	NFP	284	9
Otago	NFP	41	3
Southland	NFP	86	3
Taranaki	NFP	188	3
Waikato	NFP	391	7
Wellington	NFP	718	8
TOTAL	NFP	3676	66

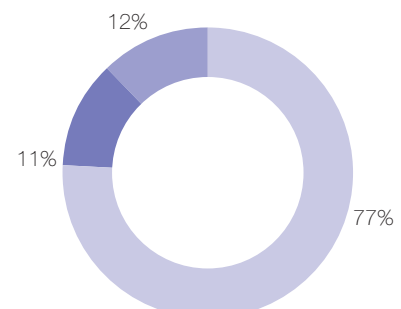
TOTAL UNITS AND VILLAGES		
Region	Units	Villages
Auckland	10823	89
Bay of Plenty	3905	39
Canterbury	3985	63
Hawkes Bay - East Coast	1526	20
Manawatu - Wanganui	1556	27
Nelson - Marlborough	1253	16
Northland	1241	18
Otago	810	13
Southland	441	11
Taranaki	872	11
Waikato	2475	32
Wellington	3241	27
Total	32128	366

Sector	Units	Villages
COG - Company Groups	24810	245
COI - Company Individual	3642	55
NFP - Not For Profit	3676	66

NUMBER OF VILLAGES BY LEGAL STRUCTURE



NUMBER OF UNITS BY LEGAL STRUCTURE



RVA MEMBER VILLAGES BY REGION AND VILLAGE SIZE

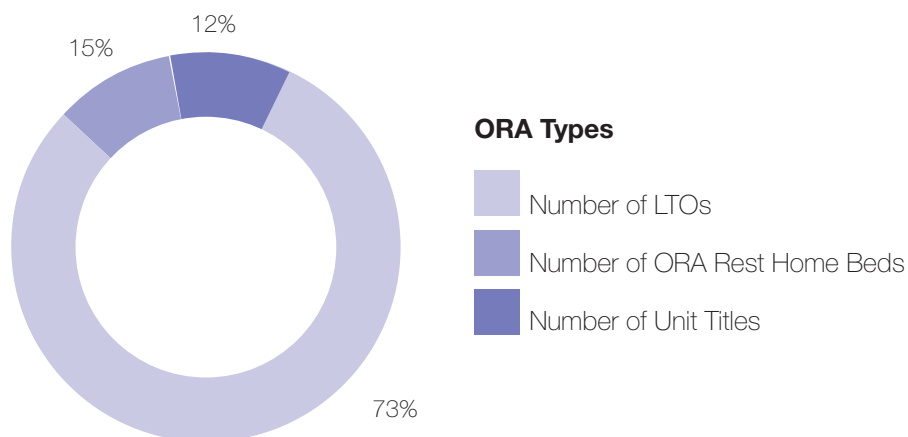
Village Size		Auckland	Bay of Plenty	Canterbury	Hawkes Bay - East Coast	Manawatu - Wanganui	Nelson - Marlborough	Northland	Otago	Southland	Taranaki	Waikato	Wellington	Total
0-10 Units	Units	26	20	47	18	35		10	20	10	9	19	8	222
	Villages	11	3	8	4	5		1	3	1	1	4	2	43
11-20 Units	Units	54	46	149	37	71	25	96	12	52	36	58	45	681
	Villages	4	3	10	3	4	2	6	1	3	2	4	3	45
21-30 Units	Units	103	131	179		80		45	50	49		43	45	725
	Villages	4	5	7		3		2	2	2		2	2	29
31-40 Units	Units	212	70	208	31		102	62	32	72		68	32	889
	Villages	6	2	6	1		3	2	1	2		2	1	26
41-50 Units	Units	183	86	407		90	171	50		47		88	132	1254
	Villages	4	2	9		2	4	1		1		2	3	28
51-60 Units	Units	338	221	53	113	108	53		52		56	55		1049
	Villages	6	4	1	2	2	1		1		1	1		19
61-70 Units	Units	189		329	134				62	62	197	131		1104
	Villages	3		5	2				1	1	3	2		17
71-80 Units	Units	373	73	80	78		79		74					757
	Villages	5	1	1	1		1		1					10
81-90 Units	Units	257	90	170		170		89			81	169	88	1114
	Villages	3	1	2		2		1			1	2	1	13
91-100 Units	Units	376		197		492	194					190		1449
	Villages	4		2		5	2					2		15
101-110 Units	Units	209	214	317		206		103	101			313	106	1569
	Villages	2	2	3		2		1	1			3	1	15
111-120 Units	Units			227							112	233	227	799
	Villages			2							1	2	2	7
121-131 Units	Units		124	124	246									494
	Villages		1	1	2									4
131-140 Units	Units	275	271		140				140					826
	Villages	2	2		1				1					6
141-150 Units	Units	297	441			143		147		149	148	288	149	1762
	Villages	2	3			1		1		1	1	2	1	12

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
151-160 Units	Units	310	154	319	151			160					310	1404
	Villages	2	1	2	1			1					2	9
161-170 Units	Units	336			167	161	161						167	992
	Villages	2			1	1	1						1	6
171-180 Units	Units	180	176		173							171	180	880
	Villages	1	1		1							1	1	5
181-190 Units	Units	561	187											748
	Villages	3	1											4
191-200 Units	Units	783	192				199					198		1372
	Villages	4	1				1					1		7
201-210 Units	Units	201	418										418	1037
	Villages	1	2										2	5
211-220 Units	Units	218		212								218		648
	Villages	1		1								1		3
221-230 Units	Units	907	222					225					225	1579
	Villages	4	1					1					1	7
231-240 Units	Units		472		238						233	233	250	1426
	Villages		2		1						1	1	1	6
241-250 Units	Units	979												979
	Villages	4												4
251-350 Units	Units	2635	297	967			269	254	267				859	5548
	Villages	9	1	3			1	1	1				3	19
350+ Units	Units	821												821
	Villages	2												2
Total Number of Units			3905	3985	1526	1556	1253	1241	810	441	872	2475	3241	32128
Total Number of Villages		89	39	63	20	27	16	18	13	11	11	32	27	366

ORA TYPE BY REGION

Region	Number of Villages	Number of Units	Median Number of Units	ORA Types			
				LTOs	Unit Titles	ORA Rest Home Beds	Rental
Auckland	89	10823	122	9145	3007	1782	79
Bay of Plenty	39	3905	100	3254	918	307	33
Canterbury	63	3985	63	3009	73	807	51
Hawkes Bay - East Coast	20	1526	76	1385	56	145	17
Manawatu - Wanganui	27	1556	58	1163	181	176	96
Nelson - Marlborough	16	1253	78	990	27	319	42
Northland	18	1241	69	1079	265	74	117
Otago	13	810	62	425	1	106	1
Southland	11	441	40	270	7	33	23
Taranaki	11	872	79	758	2	135	19
Waikato	32	2475	77	686	200	56	0
Wellington	27	3241	120	2831	449	272	35
Total	366	32128	79	24995	5186	4212	513



RVA Executive Committee 2018 -19



**GRAHAM WILKINSON, PRESIDENT
MANAGING DIRECTOR, GENERUS LIVING GROUP**

Graham Wilkinson is the Chief Executive of Generus Living Group, the developer and operator of boutique retirement villages. The company has villages in Auckland, Bay of Plenty and Christchurch. Graham has been on the Executive of the RVA since 1997 and President since 2015.



**MICHELLE BURKE, VICE PRESIDENT
PARTNER, ANTHONY HARPER LAWYERS**

Michelle practises 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.

"I have been working in the retirement village sector since 1990 and have had the opportunity of watching an exciting sector grow in size and sophistication.

I have been privileged to serve as a board member of the RVA for a number of years. I've actively participated at Board level (including as vice president) and on specialist subcommittees including legislation, complaints, accreditation, governance and education.

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

My legal background means that I have developed excellent relationships with government officials and other trusted advisors to the sector, including bankers, valuers, insurers, accountants and auditors.

I'm passionate about ensuring that people understand retirement villages and their benefits. I regularly share my knowledge by presenting seminars to retirement village managers and the legal profession."



**MARGARET OWENS, IMMEDIATE PAST PRESIDENT
DIRECTOR OF INDEPENDENT LIVING, BUPA CARE SERVICES**

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.



JULIAN COOK
CHIEF EXECUTIVE OFFICER, SUMMERSSET 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
MANAGER, ACACIA COVE VILLAGE

Bruce has been the Village Manager of Acacia Cove Village for 18 years. It is a privately-owned lifestyle village, situated on the beautiful Wattle Downs peninsula in Auckland. The village has 225 dwellings occupied by 322 residents.

Prior to this he was a successful real estate sales person and branch manager. Before that he was Deputy Secretary of the Auckland Harbour Board. He has extensive experience on various Boards, having been Secretary of the National Maritime Museum and he chaired and has been secretary of two other charitable trusts.

Bruce is currently the Chairman of one private company and a director of another.

For many years Bruce was the Convenor of the Auckland RVA Managers Forums.

He founded and is the Convenor of the 'RVA Independent Villages Forums.' These Forums are always well attended and offer support ideas and guidance to independently owned Villages without back office Support.

Bruce won the RVA/Insite Manager of the Year Competition in 2010.



GLEN SOWRY
CHIEF EXECUTIVE OFFICER, 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.

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.



GORDON MACLEOD
CHIEF EXECUTIVE, RYMAN HEALTHCARE

Gordon MacLeod joined Ryman Healthcare in 2007 and became Chief Executive on 1 July 2017. However, his relationship with Ryman began earlier than that as his nana was in a Ryman village (Margaret Stoddart in Christchurch) from 1994 to 2001.

He was previously a Corporate Finance Partner with Pricewaterhouse Coopers and Finance Director of a London listed hi-tech engineering company.

Gordon is a board member of the NZ Aged Care Association and the Retirement Villages Association.

He holds a Bachelor of Commerce from the University of Canterbury and is a Chartered Accountant.

Gordon is married to a GP and has a 20-year-old son and a 16-year-old daughter.



BILL MCDONALD
CHIEF EXECUTIVE OFFICER, ARVIDA GROUP

Bill has held a number of senior executive roles in the New Zealand and Australian retirement sector including General Manager of ING's retirement assets division in New Zealand and Regional Operations Manager for Stockland Limited in Victoria, Australia.

Bill entered the industry as acting CEO for a community owned organisation in county Victoria, Australia where he successfully guided the organisation through the accreditation process. Bill subsequently joined the Buxton Group to assist in the development and operation of the acclaimed Rylands facilities in Melbourne. The development projects won multiple awards from the Urban Development Institute of Australia and Australian Institute of Building. They are recognised as benchmark retirement operations in Australia and internationally.

As CEO of Arvida Group, Bill is focused on building a retirement and aged care business that aligns with the demands of today as well as those of the future, through the principles of resident well-being and positive community interaction.



SIMON O'DOWD
CHIEF EXECUTIVE OFFICER, ALPINE RETIREMENT GROUP 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 22 years, the National Association that represents the views and interests of the Aged Care sector. In this role Simon's extensive experience is used to chair meetings and make representations to Ministers and their officials. As Chairman he is responsible for the Chief Executive Officer and his staff, based in the Association's Wellington office.

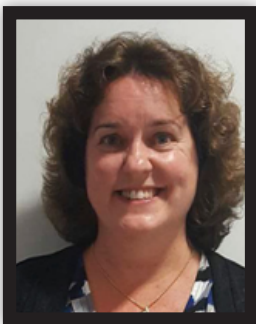
Simon has represented the NZACA at the ongoing negotiating meetings with the combined DHB representative group for more than ten years. Most recently he has been a part of the NZACA Group negotiating a settlement regarding the Equal Pay Case.



EARL GASPARICH
CHIEF EXECUTIVE OFFICER, OCEANIA HEALTHCARE GROUP

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 executive meetings. He has been CEO of Oceania Healthcare since August 2014. Oceania has 26 villages (approximately 1,000 units) amongst its portfolio of 51 aged care/ retirement village sites across New Zealand and is the sixth largest provider in the country. It is also the third largest provider of residential aged-care beds.

Prior to joining Oceania, Earl held three executive management positions in service-based companies and participated as a minor shareholder in two successful private equity investments. He 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.



LISA WATKINS
CHIEF OPERATING OFFICER VILLAGES, SELWYN FOUNDATION

Lisa is the Chief Operating Officer, Villages, at the Selwyn Foundation, an independent, Christian faith-based New Zealand charitable trust providing services to older people and their families. Lisa has more than 20 years' experience working within the finance, childcare and health sector, having held senior positions in both Australia and New Zealand.

Lisa holds a Master of Applied Finance from Victoria University and has extensive experience in managing both businesses and operational teams, ensuring the delivery of outcomes through people and process while achieving the objectives of the organisation.

Lisa has particular expertise in leading and coaching people, process effectiveness and continual improvement, finance and operations management. Lisa has held senior management roles with a number of high-profile organisations such as Barnardos, Southern Cross Healthcare, National Australia Bank, Trustee Executors and Carter Holt Harvey.

Lisa strongly believes in the ethos of the Selwyn Foundation, to care for older people, you have to care about them.

PROFIT AND LOSS STATEMENT

For the year ended 31 March 2019

	Note	2019 \$	2018 Restated \$
INCOME			
Membership Fees		464,651	473,057
Conference Income		674,191	480,847
Other Income		161,265	138,122
TOTAL INCOME		1,300,107	1,092,026
LESS EXPENSES			
Executive Committee Expenses			
Accommodation, Travel and Meals		6,471	9,631
Honorarium		13,000	13,000
Executive Director and Manager Expenses			
Travel and Accommodation		42,808	42,099
Conference Expenses			
Conference Expenses		329,995	322,485
Other Expenses			
ACC Levies		829	873
Accounting and PwC Tax advice		10,278	9,958
AdviceWise - Members Service		13,482	13,482
Annual Report		2,340	2,445
Audit Fee - PKFGF	3	10,100	10,100
Bank Fees & Charges		1,490	1,163
IT & Database Support		10,865	10,981
Postage and Stationary		11,698	8,887
Public Relations/Media		60,672	30,338
Insurance		3,808	3,119
Subtotal		517,836	478,561

This statement is to be read in conjunction with the Notes to the Financial Statements and the Independent Auditor's Report.

PROFIT AND LOSS STATEMENT

For the year end 31 March 2019

	Note	2019 \$	2018 Restated \$
Subtotal continued:		517,836	478,561
Other Expenses - continued			
Photocopier Lease Charges		0	7,931
Legal Fees		30,906	22,087
Membership Services /Stakeholder engagement		18,800	9,545
Ombudsman Levies		3,780	0
Office Operating Expenses		22,960	11,075
Research		73,462	117,260
Rent		27,200	27,200
Seminars and Training Events		12,724	22,290
Staff Salaries		393,967	387,546
Subscriptions		12,891	7,539
Website Maintenance		8,644	3,349
		1,123,170	1,094,383
Gain/loss on foreign exchange		930	935
Donations and Gifts		718	2,266
Depreciation	10	4,254	7,557
TOTAL EXPENSES		1,129,072	1,105,141
Profit/(Loss) before Taxation		171,035	(13,115)
Income Tax Expense for the year	2	(74,893)	(13,612)
Profit/(Loss) for the year		96,142	(26,727)

This statement is to be read in conjunction with the Notes to the Financial Statements and the Independent Auditor's Report.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2019

	Note	2019	2018 Restated
		\$	\$
Equity at Start of Period			
Retained Earnings		580,848	607,575
Total Equity at Start of Period		580,848	607,575
Profit/(loss) for the year		96,142	(26,727)
Total Comprehensive Income		96,142	(26,727)
Equity at End of Period		676,990	580,848

This statement is to be read in conjunction with the Notes to the Financial Statements and the Independent Auditor's Report.

BALANCE SHEET

As at 31 March 2019

	Note	2019	2018 Restated
		\$	\$
CURRENT ASSETS			
ANZ - Current A/c		246,407	212,642
ANZ - Premium Call account		23,561	393,707
ANZ - Foreign Currency -AUD A/c		41,908	10,191
ANZ Interest Bearing Deposits		507,009	0
ANZ - Trade Me A/c		39,332	61,879
		858,217	678,419
Accounts Receivable		164,316	161,061
Prepaid Expenses - Conference and sundry		71,143	82,782
Interest Receivable		6,669	17
Taxation Refund Due		0	13,068
GST refundable		4,012	0
TOTAL CURRENT ASSETS		1,104,357	935,347
CURRENT LIABILITIES			
Accounts Payable		74,657	92,696
Accruals		42,347	37,320
Conference Prepaid Income		254,330	216,650
GST payable		0	15,580
Provision for Tax		61,417	0
TOTAL CURRENT LIABILITIES		432,751	362,246
NET CURRENT ASSETS		671,606	573,101
NON CURRENT ASSETS			
Fixed Assets	9	5,384	7,747
TOTAL OTHER NON-CURRENT ASSETS		5,384	7,747
NET ASSETS		676,990	580,848
REPRESENTED BY:			
Balance Carried forward		580,848	607,575
RETAINED EARNINGS		96,142	(26,727)
TOTAL ASSOCIATION FUNDS		676,990	580,848



President

Date 11 June 2019



Executive Director

Date 11 June 2019



This statement is to be read in conjunction with the Notes to the Financial Statements and the Independent Auditor's Report.

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 31 MARCH 2019

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

STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

The Retirement Villages Association ('RVA' or 'Association') is incorporated and domiciled in New Zealand and is registered under the 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.

These Special Purpose Financial Statements for the year ended 31 March 2019 were authorised for issue by the President and Executive Director on 11 June 2019.

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

Basis of Preparation

These financial statements are a special purpose financial report which has been prepared for reporting to members as required by the Association's Constitution and for taxation purposes using the Inland Revenue minimum financial reporting requirements. Accordingly this report should not be relied upon for any other purpose.

The special purpose financial report is presented in New Zealand dollars (NZ\$) rounded to the nearest dollar using accruals method. Under the accruals method, revenues and expenses are recognised when they are earned or incurred rather than when cash is received or paid. Assets and liabilities are also recognised under the accrual basis.

- 1 The special purpose financial report has been prepared under the historical cost convention and on a going concern basis. The Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future.

Accounting policies applied to the special purpose financial report are detailed below:

Specific Accounting Policies

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

A)	<p>Revenue</p> <p>Membership Fees and Conference Income are recorded as income in the year they are due.</p> <p>Interest revenue is recognised on an accruals basis using the effective interest method.</p>
B)	<p>Expenses</p> <p>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.</p>
C)	<p>Taxation</p> <p>The income tax expense recognised for the year includes the current year provision. Income tax is recognised in the Profit and Loss Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Deferred tax accounting has not been adopted by the Association.</p>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR YEAR ENDED 31 MARCH 2019

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

1	D)	<p>Goods and Services Tax</p> <p>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).</p>	
	E)	<p>Impairment</p> <p>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.</p> <p>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 Profit and Loss Statement.</p> <p>Any reversal of the impairment loss is recognised as income immediately.</p>	
	F)	<p>Financial Instruments</p> <p>Financial instruments comprise accounts receivable, cash and cash equivalents and other financial liabilities. Non-derivate financial instruments are recognised initially at fair value plus any directly attributable transaction costs.</p> <p>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.</p> <p>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.</p> <p>Trade and Other Payables</p> <p>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.</p> <p>Receivables</p> <p>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.</p>	
	G)	<p>Comparative Figures</p> <p>The comparative figures shown are for the year ended 31 March 2018. These comparatives have been restated to remove the effects of deferred tax accounting, which is no longer being adopted by the Association (hence a change in accounting policy). The following comparative amounts have been restated for 2018: opening retained earnings \$5,962 increase, deferred tax asset \$4,590 decrease and deferred tax expense, \$1,372 decrease.</p>	
	H)	<p>Change in Accounting Policies / Framework</p> <p>This is the first special purpose financial report prepared by the Association in accordance with the Inland Revenue minimum financial reporting requirements. Previously, the Association prepared financial statements in accordance with PBE IPSAS (RDR), the main change has been the change of statement names and less note disclosures required. The Association has adopted accounting policies consistent with PBE IPSAS (RDR) except as follows: the Association has not elected to prepare a cash flow statement, and the Association is no longer reporting deferred taxation. The comparative figures have been restated to remove the effects of deferred tax accounting (see policy g) above).</p>	

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR YEAR ENDED 31 MARCH 2019

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

TAXATION				
		2019	2018	
2	Profit/(loss) per financial statements	171,035	(13,112)	
	Less non taxable items	97,568	66,356	
	Less permanent differences	0	(673)	
	Less temporary differences	(1,128)	(3,963)	
	Taxable Profit/(Loss) for the year	267,475	48,608	
	Less B/fwd Losses	0	0	
	Taxable Profit/Loss	267,475	48,608	
	Income Tax Expense @28% on taxable profit	74,893	13,612	
	Taxable losses of \$Nil (2018 - Nil) are available to carry forward against future profits. Subsequent to balance date, the Association made a provisional tax payment of \$63,947.24 on 7 May 2019.			
	3	AUDITOR REMUNERATION		
	PKF Goldsmith Fox Audit fees for audit activity were \$10,100 (2018: \$10,100).			
4	RECEIVABLES			
	As at balance date all Accounts Receivable were current and not yet due.			
5	CONTINGENT LIABILITIES			
	As at balance date there were no Contingent Liabilities (2018 : Nil).			
6	COMMITMENTS - Operating Lease Commitments			
	Lease commitments under operating leases	2019	2018	
	Current (within one year)	19,226	27,200	
	Non Current	0	19,226	
		19,226	46,426	
7	RELATED PARTY TRANSACTIONS			
	The RVA has no related party transactions to report in the last financial year (2018 - \$Nil)			
8	SIGNIFICANT EVENTS AFTER BALANCE DATE			
	There have not been any significant events since balance date to affect the results shown in these financial statements.			

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR YEAR ENDED 31 MARCH 2019

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

FIXED ASSETS			
		2019	2018
OFFICE EQUIPMENT			
Opening book value		-	-
Cost b/fwd		15,778	15,778
Additions/disposals		-	0
Cost c/fwd		15,778	15,778
Accumulated depreciation b/fwd		(15,778)	(15,778)
Disposals		-	0
Accumulated depreciation c/fwd		(15,778)	(15,778)
Closing book value		-	-
9 COMPUTER EQUIPMENT			
Opening book value		12,625	12,625
Cost b/fwd		83,718	81,039
Additions/disposals		1,891	2,679
Cost c/fwd		85,609	83,718
Accumulated depreciation b/fwd		(75,971)	(68,414)
Depreciation for the year		(4,254)	(7,557)
Disposals		0	0
Accumulated depreciation c/fwd		(80,225)	(75,971)
Closing book value		5,384	7,747
TOTAL FIXED ASSETS		5,384	7,747

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR YEAR ENDED 31 MARCH 2019

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

10 DEPRECIATION

Depreciation is provided for in the Profit and Loss Statement on a 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:

Computer Equipment	25% - 50%
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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 Special Purpose Financial Statements

Opinion

We have audited the special purpose financial statements of the Retirement Villages Association of New Zealand Inc (the Association), which comprise the statement of financial position as at 31 March 2019, and statement of comprehensive income for the year then ended, and notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements are presented in accordance with the accounting policies set out in the Statement of Accounting Policies.

Executive Board Members' Responsibilities for the Financial Statements

The Executive board members are responsible for the preparation and presentation of the special purpose financial statements in accordance with the accounting policies, 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.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

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 and fair presentation of the financial statements 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 overall 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 auditor and associate member of the Association, we have no relationship with, or interests in, the Retirement Villages Association of New Zealand Inc.

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



Christchurch, New Zealand

11 June 2019

BUDGET FOR FINANCIAL YEAR

Budget for Financial Year 1/4/2019 -31/3/2020

INCOME	
Membership Subscriptions	482,871
Conference Income	449,974
Other Income	133,350
Total income	1,066,195
EXPENDITURE	
ACC	1,200
RVA Audit & accounting charges	18,750
PKFGF Non Audit Fees	300
Bank Charges - account operation	1,920
Computer and database support	11,300
Conference expenses	255,619
Executive Committee Expenses	7,000
Executive Dir / Assn Expenses	37,000
Honorarium	13,000
RVA Insurance	5,150
Legal and Consultancy	43,200
Office operating expenses	65,264
Photocopier - Xerox lease & expenses	8,600
Printing and design	5,700
Communication & Research	162,400
Member Services	11,400
Salaries, including PAYE & Kiwisaver	425,700
Technology	24,600
Gifts & bad debts	2,000
Total Expenditure	1,100,103
Excess income over expenditure	(33,908)



ANNUAL REPORT 2019

NOTES:



Retirement Villages Association of New Zealand Inc.