

The Selwyn  
Foundation 

*Annual Report 2013*

CELEBRATING 60 YEARS



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## The Year in Review

# Highlights for 2013



- We had another successful year financially, with increased operating profits flowing through to an increase in grants and charitable activity. The Foundation maintains a positive outlook for its future financial position.
- Selwyn House, our innovative new community living home for single older people, opened at Hansen Close in Birkenhead. The new facility provides high quality, supported rental accommodation and marks an exciting addition to Selwyn's range of community-based services.
- New Selwyn Centres opened for the first time in the Waikato and in Christchurch, bringing the total number of Centres to thirty-nine.
- Our residential care facilities achieved excellent results in Ministry of Health certification audits, and our independent living facilities attained the maximum three years' accreditation following audits by the Retirement Villages Association of New Zealand.
- Our fourth annual gerontology nurses' professional development conference was the largest yet. This major in-house training event is also open to gerontology nurses from the wider healthcare sector and is the only conference of its kind in the country.
- The Selwyn Centre for Ageing and Spirituality continued its nationwide education programme, with a series of seminars on spiritual care in healthcare and a conference on the latest New Zealand research on ageing and spirituality, contributing to raising awareness of the subject amongst pastoral caregivers, chaplains and health and aged care workers.
- The new role of Volunteer Programme Manager was established to develop a structured and comprehensive volunteer programme at each of our villages and care facilities. Volunteers give of their time, talents and skills in many varied ways, and their support adds great value to Selwyn's work to promote a culture of ageing well.
- Three new independent living apartments opened at our larger villages in Auckland – the 26-unit Newman-Reid Apartments at Selwyn Village, and the Gowing and Kay Hawk Apartments offering a combined total of 45 new homes at Selwyn Heights village.
- The next phase in the development of Selwyn Heights village got underway, with the construction of a prestigious five storey building which will comprise 56 apartments and additional community amenities. The new complex, due to open in November 2014, is to be named the Reeves Apartments, in honour of the late Right Reverend and Honourable Sir Paul Reeves, Archbishop and Primate of New Zealand and Governor General of New Zealand.

## Tradition and innovation combine to create new opportunities



CHAIR, KAY HAWK

**This year's Diamond Jubilee is great cause for celebration, and also cause for reflection – for taking stock of what has been achieved over the last sixty years, as well as looking to the future and the ever more pressing challenges that an ageing society will present. Many have been helped and supported over the years through Selwyn's Mission, but – in 2014 – we find there is much still to do.**

In reflecting on how far we've come, we've also spent time considering how we can use our experience, knowledge and surpluses to benefit as many older people as possible, especially, those who are vulnerable or in greatest need. To this end, in addition to implementing the first objectives of our five-year Strategic Plan (designed to deliver on our strategic goals for the medium-term), our CEO and Senior Leadership Team have developed a comprehensive, ten year Growth Plan that will see us build new facilities, revitalise our villages and expand our offering to a wider section of the older population.

Whilst reviewing our business in this way, we have reflected on our branding and how we communicate to our various audiences the range of services we are able to offer. In reaffirming who we are and why we exist, we have aligned our areas of operation into a simple brand structure – that of Charity, Learning, Community and Villages – and developed a key statement that describes and informs all our activity:

***to care for older people, you have to care about them.***

In other words, everything we do is focussed on caring about older people.

This philosophy - founded in Faith - makes us unique in the aged care and retirement village sector and illustrates our authenticity and breadth of activity. This will be our framework as we go forward, encapsulating the essence of the Selwyn Mission and driving our charitable Mission, research interests, community support and culture within our village environments.

As we look to the future, we do not forget those whose endeavours have contributed to the Foundation's enduring success. In marking sixty years of service and operation at Selwyn Village on 22 May 2014, we will observe our inaugural 'Founders' Day' to honour the courage and foresight of Selwyn's founding fathers in establishing a dedicated service for the welfare of ageing people. As part of a broader programme, to establish long-lasting traditions that will preserve the Foundation's history and significant milestones, we are keen to commemorate in a meaningful way those individuals who have influenced and enriched the development of the organisation since 1954. Therefore, on Founders' Day, we will acknowledge and thank all our Life Members, Companions and Friends of Selwyn who have provided visionary leadership and given so generously of their skills, time and resources and in many other ways to make Selwyn the respected name that it is today.

With regard to the overarching roles and responsibilities of The Selwyn Foundation Board of Trustees – and its input into Selwyn's ongoing development – additional terms of reference have recently been formulated relating to the governance and oversight of the work of the Foundation as a whole.





Specifically, the frequency of Board meetings has increased to monthly, with progress against each of the seven strategic goals to be reviewed twice a year, and members of the Senior Leadership Team invited to attend the relevant sub-committee meetings as required. We have developed and implemented a process for Board succession. In 2014, the Board will continue to refine its process of self-review and evaluation of the performance of the CEO. Our understanding of Tikanga and how to incorporate this into the way we govern will continue to be developed, and we will be assisted in this process by the Venerable Lloyd Popata, Archdeacon of Tamaki Makaurau, who was appointed to the role of Pou Tikanga for the Foundation last year.

I would like to thank my fellow Board Members for their expert advice and guidance in the last twelve months, and formally welcome our outstanding new appointees, Helen Melrose and Jan Nichols, who joined in 2013. As our colleagues, Deputy Chair John Cameron and Jim Frater, will both be retiring at our 2014 AGM, I would like to express my deep appreciation on behalf of

the Selwyn Board for their valued service and our sincere thanks for their skilled business management advice and support over the years.

In this, our 60th anniversary, the Foundation is proud of its past, and ambitious for all it can achieve for ageing people in the years to come. With the combined talents and commitment of our excellent Trustees, Executive team, management and staff – and with the best of tradition and innovation coming together to provide a unique positioning for the Foundation – the Selwyn brand will continue to be relevant, progressive and well grounded in a future that most certainly will be dynamic and flexible in how services will be provided to the ageing and most vulnerable of society.

**Kay Hawk**  
Chair  
The Selwyn Foundation  
March 2014

***In this, our 60th anniversary, the Foundation is proud of its past, and ambitious for all it can achieve for ageing people in the years to come.***



## Building for an exciting future



CEO, GARRY SMITH

**In 2014, we celebrate the 60th anniversary of Selwyn Village. This iconic retirement community was the first of its kind in New Zealand, out of which The Selwyn Foundation was formed in 1967. Sixty years on, both Selwyn Village and The Selwyn Foundation are going from strength-to-strength – each with renewed impetus, great potential and an exciting future ahead that will benefit ever greater numbers of older people in New Zealand.**

Over the past twelve months, the Foundation has continued to focus on innovation, excellence and our customers in terms of how we provide services not only within our retirement villages and care facilities, but also in our outreach to the wider community.

Selwyn House, our community living home for single retirees, opened in Birkenhead, and the network of Selwyn Centres which we co-fund with Anglican parishes expanded to the Waikato and Christchurch for the first time. We also introduced a new day care programme at the Selwyn Centre in Papakura, to provide respite support to carers whose loved ones have mild dementia.

Through these initiatives, we have sought to bring practical help and support beyond the boundaries of our traditional village sites to the most vulnerable and those in greatest need, and to respond to today's most challenging social issues for aged people – the shortage of affordable, good quality housing and the scourge of loneliness, both of which have their own implications for an elderly person's general health and wellbeing.

Similarly, by our funding of research studies in gerontology and aged care, and grants to charitable groups concerned with the welfare of older adults, we have endeavoured to use our resources to maximum effect.

In what was an extremely busy year, I would mention the following highlights:

- The excellent results achieved by our care facilities and retirement villages following their respective certification audits, and the highly-prized Cornerstone accreditation awarded to our Selwyn Village Medical Centre by the Royal New Zealand College of General Practitioners.
- Our focus on clinical governance to ensure an integrated approach to providing excellent clinical care to our residents. We established a dedicated Clinical Advisory Group comprising senior clinical staff and also employed a second GP. With the endorsement in 2013 of our Director of Advanced Nursing Practice as a Nurse Practitioner (Older Adult) with prescribing rights, we are also the only aged care provider currently with this in-house expertise.
- The decision to implement a new Nurse Call system offering advanced customer service options across all independent living units and care facilities, the introduction of a new food service delivery process, and our adoption of the Ministry of Health's new interRAI clinical assessment software and care planning tools. Such innovations demonstrate Selwyn's enhanced responsiveness to residents' needs and our leadership in the use of clinical quality, hospitality and healthcare technologies.



- Our key performance measures were very pleasing: the number of new ORA licences agreed was the highest ever (such was the demand for our new independent living apartments that they sold out within six months), and our high rates of residential care occupancy and staff retention compare favourably with the industry average. These significant indicators are a reflection of the Foundation's reputation as a leading service provider and quality employer.

With such a progressive approach, we are in an excellent position to grow and to create quality environments and services that complement the high standards of care for which Selwyn is renowned. To do that, however, we must continuously improve what we can offer to the communities we serve. Last year, therefore, we prepared a ten-year Growth Plan comprising a major development programme and plans for organisational realignment. This will enable us to meet the demands of a changing market and - importantly - ensure sustainable growth, so that we may continue the mission first envisioned by our Selwyn forebears sixty years ago, with The Selwyn Way driving us to deliver the best possible outcomes for the ageing person, whose wellbeing is central to everything we do.

Whilst not all of the elements of the Growth Plan will start immediately, but in a phased and considered manner, each new project and investment decision will clearly demonstrate our philosophy that, to care for older people, you have to care about them. This means that we consider all aspects of how we can help people to remain independent, stay healthy and live a meaningful life, whether they reside in our retirement villages, care facilities or in their family home.



This fundamental principle defines the Selwyn approach and differentiates us from others in the sector.

In closing, I would like to thank all our staff for the love and care they show our residents every day, and my colleagues in the Senior Leadership Team for their innovation and professionalism in helping to shape the future of Selwyn, so that our stewardship of this much beloved charity may continue for many years to come.

**Garry Smith**

Chief Executive Officer  
The Selwyn Foundation  
March 2014

***Each new project, and investment decision clearly demonstrates our philosophy that, to care for older people, you have to care about them, a fundamental principle that defines the Selwyn approach.***









# Charity

## Enhancing the lives of others through charitable outreach

Promoting the welfare of older people in general is an important aspect of the Foundation's charitable mission. As access to local services is of vital importance in maintaining health and well-being, Selwyn distributes over \$500,000 per annum to charitable and not-for-profit groups working with or for the elderly at both community and national level. This investment, which is in addition to our funding of the Selwyn Centre programme, contributes to a variety of activities delivering practical help 'on the ground', as well as making provision for the health of older people in the long-term.

Grants to the Bishop's Action Foundation (part of the Waikato Diocese) and the Diocese of Christchurch have facilitated the opening of six Selwyn Centres in the last year. New Centres in Cambridge, Te Awamutu and Morrinsville and in the Christchurch districts of Burwood, Fendalton-Merivale and Opawa help older people remain socially connected in areas where resourcing may otherwise be limited.

The Foundation also supports social services provider, the Whangarei Anglican Care Trust, by part-funding its Seniors Community Worker. This position assists aged people access the social and health services they need to enable them to live independently for as long as possible.

An additional grant made in 2013 funded the Trust's inaugural, eight-week 'Senior Chef' cooking course for those over 65 who live on their own or with one other person. This practical class offers the chance to learn, or improve on, food preparation skills and also provides a time of fellowship for participants.

Another beneficiary of Selwyn's charitable support is The New Zealand Faith Community Nurses Association, a national ecumenical organisation for Christian nurses providing primary healthcare within their own faith communities. This is an innovative ministry, with nurses assessing not only the physical, mental and social needs, but also the spiritual health needs of people in the community. The Foundation's support has helped establish the management of the Association, as well as its website and training modules.

## Multi-disciplinary partnerships promoting the wellbeing of older people

Selwyn is also one of the principal benefactors of both the National Dementia Cooperative (NDC) and the New Zealand Association of Gerontology (NZAG). The NDC is a multi-disciplinary group of people who wish to advance knowledge about dementia care and increase overall awareness and understanding of the condition. Together with BUPA, the Foundation contributes to funding its National Coordinator position.

The NZAG is committed to understanding ageing and promoting the interests of older people through study and research on ageing, continuing education and national debate, with Selwyn supporting its webinar series of seminars held in conjunction with the Australian Association of Gerontology.

The contribution of funding to our partners in the provision of aged care services assists organisations to innovate and meet the social, health and broader long-term needs of the older population, thereby enabling the Foundation to enhance the lives of so many others who may be vulnerable or in need.





# Learning

## Investment in training and education delivers first class care

Excellence in all aspects of our service delivery is paramount for the Foundation. By investing in quality learning opportunities, we aim to enhance the wellbeing of our residents and other service users and contribute to an improvement in the overall welfare of the ageing population as a whole.

Our annual professional development conference for nursing staff focuses on the latest leadership, clinical and dementia issues in aged care. Devised specifically for gerontology nurses, it is the only training event of its kind in the country that offers the most specialised teaching in this field of nursing. The conference is organised by our Director of Advanced Nursing Practice who, in 2013, gained endorsement as a Nurse Practitioner (Older Adult) with prescribing rights. Selwyn is currently the only independent provider with a dedicated Nurse Practitioner, and the importance of the role in providing expert clinical guidance to our nursing teams is manifested in increased skill levels and first class care to residents.

Another of our key training events is our annual conference for Selwyn Centre coordinators. This full-day programme, providing updates on health and safety legislation, operational protocols and best practice, also encourages general reflection on the quality of services and care provided to Centre guests.

## Future wellbeing aided by research investment

Selwyn supports a wide range of research projects in gerontology into factors that influence the wellbeing of older people. In addition to partnering with Auckland-based universities, we invest in the work of The Selwyn Centre for Ageing and Spirituality and also donate to The HOPE Foundation, a charitable Trust dedicated to sponsoring research on ageing and the effect of ageing on the New Zealand community.

In 2013, the Foundation awarded a grant of \$82,000 to The HOPE Foundation to enable it to continue its funding for masters and doctoral student research on gerontology in a variety of disciplines, thus encouraging young scientists to develop careers in ageing research. The results of the studies undertaken will be published in major international scientific journals, significantly adding to the body of knowledge in this specific area and building greater understanding of the healthcare needs of ageing people.

Our other research interests include a study into depression that commenced last year in Selwyn's hospitals, undertaken in association with the University of Auckland and funded by the C R Stead Trust. Depression is a major health issue for older people (and for those in residential care, particularly), and the findings will assist in identifying its causes and how it can be ameliorated.

The Selwyn Centre for Ageing and Spirituality also supports research by funding two annual scholarships for postgraduate students studying spirituality in ageing. In addition, it organises an annual conference on the latest New Zealand research, thereby raising awareness of the subject amongst those involved in aged care.

Our investment in training and research highlights our approach to delivering better quality care and services, and demonstrates our commitment to improve the lives of our residents and of the nation's older people now and into the future.









# Community

## Selwyn Centres: bringing help and support to the wider community

Selwyn's community outreach is most evident in the Selwyn Centres, the thriving Parish Partnership programme that we support in association with Anglican parishes. With 39 Centres serving over 800 people each week, the programme provides an environment that enables those who may be living alone and in need of companionship to remain active, healthy and independent in their own neighbourhoods.

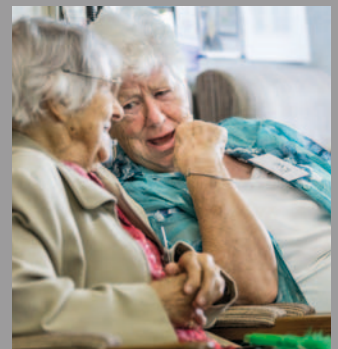
Offering a morning programme of social games, gentle exercises and occasional outings at a nominal fee, the Centres provide a positive setting where those over 65 with limited opportunity for social interaction can meet up each week with others from their local community. Respite for carers is offered at some venues and, in one location, the service is taken out to state-owned pensioner flat complexes, enabling the less mobile to socialise with their neighbours. In South Auckland, The Selwyn Foundation has employed a community liaison nurse to assist with the health concerns of the Selwyn Centre day guests. This vital resource will also help carers and Centre coordinators identify any special needs of day guests and engage where necessary with healthcare agencies.

Whilst based mainly in church premises, the Centres welcome people of all religious or cultural backgrounds - over two thirds of guests are not church members, and two Centres cater specifically for the Pacific Island and Indian communities.

## Reducing social isolation through community care

The Foundation commits significant annual funding to the initiative, which is designed to address the problems of social isolation of older people and the health risks that arise as a result. Loneliness can be a serious health issue, and continued interaction with others is beneficial psychologically and also influences general health. The Selwyn Centres are an effective means of delivering care to people in the community and fill a real need in providing invaluable social interaction for those who may be lonely or isolated. In acknowledging the value of this model and the health benefits that it promotes, the Counties Manukau District Health Board contributes each year to the running costs of the scheme in South Auckland.

The Parish Partnership programme is an important aspect of Selwyn's range of care services and enables the Foundation to expand its Mission to be responsive to the needs of older people, wherever they may be at home. Amongst aged care and retirement village operators, Selwyn is unique in resourcing such a wide-ranging outreach initiative and is committed to further expanding the network of Centres, thereby bringing much needed comfort, help and hope to ever greater numbers of frail elderly in our communities.











# Villages

## Thriving communities contribute to ageing well

At Selwyn, residents have the opportunity to stay active, keep learning and enjoy life within an integrated village setting, whether they are fully independent or need some extra care and attention. With many of the everyday tasks taken care of, villagers can make the most of the wealth of activities that are on their doorstep. They may choose to play a full part in village life, socialising with their neighbours in a friendly and supportive environment, or to relax and take things easy, secure in the knowledge that companionship, help and support are close at hand whenever they may need.

Whilst amenities vary at each village, residents can avail themselves of fitness, games and sports facilities, craft, library and IT resources, workshops and vegetable garden plots and an array of hospitality services. Or they could do some shopping, catch a film in the movie theatre or indulge in some health and beauty treatments. Weekly planned activities abound and include exercise classes, bowls, petanque, mah jong, scrabble, quiz afternoons, art classes, music and dance, trips out and about, worship services... the list is endless.

## At home at Selwyn – the only place to be

The Foundation seeks to create positive environments that promote residents' independence, eliminate loneliness and add variety to the daily experience, and to build communities where people have purpose, are involved in village life and enjoy as active a lifestyle as possible.

Our philosophy focuses on empowering individuals to do as much as they can for themselves, so they feel truly at home. In the residential care situation, for example, residents are encouraged to make their own decisions about their domestic routines - when to rise or go to bed, when to eat and which activities to take part in. They have the opportunity to care for pets, grow vegetables and undertake a range of general tasks, all of which engenders a feeling of being valued members of the shared 'household'.

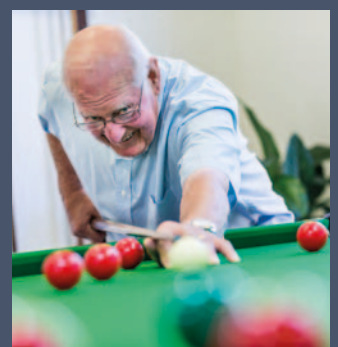
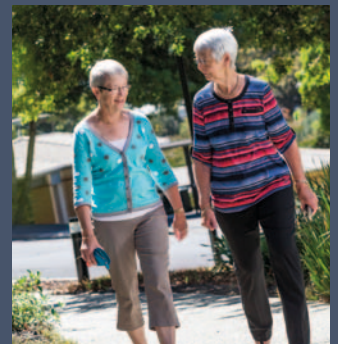
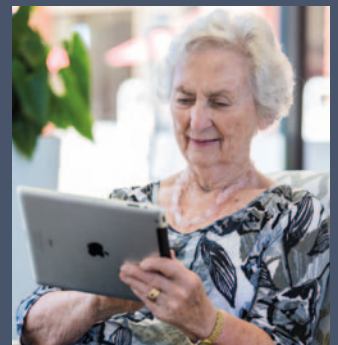
This enabling approach also extends to our independent residents, who lead their own events programme, spearhead the launch of special interest groups, and organise a full entertainment schedule for their fellow villagers to enjoy. Many residents also volunteer their time, skills and energy for a few hours a week, undertaking various roles around the village community.

With this focus on ageing well, our residents are inspired to maintain their independence and be enriched by new friendships and leisure pursuits, all of which enhances the life of the village community and those whom we support and care for.

In 2014, the Foundation is beginning a revitalised programme to redevelop many of our villages and renew our ageing facilities.

As part of our wider 10 year plan to further develop Selwyn's offering to the communities we serve, we plan to build more independent living accommodation and industry - leading care facilities. The first of these will be a new 116-bed hospital at Selwyn Village, scheduled

for 2017. Therefore, through contemporary new environments and modernised styles of care, we will continue to resonate with residents of today and tomorrow, and will take forward into the future our founders' vision that began sixty years ago.



# Celebrating 60 Years

On 22 May 1954, when the first building at Selwyn Village was formally opened, the vision of Auckland City Missioners to provide dedicated care and accommodation for older people in need finally became a reality. A village setting providing for the welfare of the aged was a revolutionary notion in the 1950s. The concept has developed over time, with The Selwyn Foundation now providing a wide range of services to older people not only within its village communities, but to society as a whole.

1954	Block A (Kerridge) at Selwyn Village opens offering 22 single bedroom units.
1959	Government approval granted to build 11 blocks of cottages to house 38 residents.
1967	The Selwyn Foundation is established. First residents move into Selwyn Park, Whangarei.
1970	Selwyn Oaks opens in Papakura.
1983	First 'own-your-own' units completed at Bambury Close.
1992	First residents move into Hanson Close.
1993	Lavender Cottage Dementia Day Care at Selwyn Village established.
2000	First of the Selwyn Centres opens in Papakura.
2005	Management contract signed for Gracedale Home and Hospital. Selwyn St Andrew's, Cambridge, comes under the care of The Selwyn Foundation. Roskill Masonic Village, Hillsborough, purchased and renamed Selwyn Heights.
2008	Wilson Carlile, Hamilton, becomes part of The Selwyn Foundation. The Selwyn Centre for Ageing and Spirituality established.
2010	Sunningdale Rest Home, Hamilton, becomes part of The Selwyn Foundation.
2012	Group Office moves to new premises in Grafton.
2013	Selwyn House Community Living, Birkenhead, opens.
2014	Selwyn Village celebrates 60 years.

1 The first residents arriving at the Village, 1954.  
2 Cottages built to house 38 residents, 1959.  
3 Nursing care in the sick-bay, 1961.  
4 Consecration of Christ the King Chapel, 1961.  
5 A first visit of the mobile post office, 1962.

6 Lichfield Towers under construction, 1963.  
7 Canon Caswell assists one of the first Lichfield residents to her room, 1965.  
8 Governor-General, Sir Arthur Porritt, in the craft room after the opening of the Community Centre, 1972.





# A strong financial position enabling future growth



CFO, JASON MORE

**It is my great pleasure to present my first Chief Financial Officer's Report. I would like to begin by acknowledging the great work of my predecessor, Fred Pau, who left the Foundation in June 2013 after fourteen years of service to the organisation. I believe the strong position that Selwyn finds itself in today is a great testament to his time here.**

Included within the Annual Report are the summary financial statements for The Selwyn Foundation group, including The Selwyn Foundation and Selwyn Care Limited, for the year ended 31 December 2013. Highlights for the year that contributed to the financial performance in 2013 and which will affect the future outlook include:

- Completion of the Newman-Reid, Kay Hawk and Gowing Apartments and building work commencing on the Reeves Apartments at Selwyn Heights.
- A high level of independent living settlements, leaving only five apartments unoccupied in the newly completed Newman-Reid, Kay Hawk and Gowing Apartments at year end.
- Commencement of planning for a new 116-bed residential care facility at Selwyn Village.
- New community facilities completed at Selwyn Village.
- The first residents moving into the new Selwyn House community living residence at Hansen Close.
- The initiation of a 'fixed fee for life' offering for independent living monthly fees.

During the year, we reviewed our long-term financial strategic direction, and we believe that an integrated villages model provides the most sustainable approach to retirement village living, as shown by the performance of Selwyn Village and Selwyn Heights. In the future, we will be looking to achieve an optimal balance between independent living and residential care at all our sites, through refreshing our existing assets along with the development of new facilities.

## Financial Performance

### Operating Profit

Operating profit for the year to December 2013 was \$2.8m. This includes revenue of \$43.8m (up by \$0.9m compared to 2012), offset by expenditure of \$41.0m (increase of \$0.5m).

### Other Income and Expenses

Finance income for the year was at \$1.7m, well above last year's \$1.0m, due to interest earned on higher cash reserves as a result of the sell-down of new independent living apartments.

We are required to revalue our independent living assets each year and record any movement through our Statement of Financial Performance. This year, a gain of \$10.7m was realised, largely on the back of the completion of new apartment buildings.

An impairment loss of \$0.7m was recognised due to the proposed demolition of an existing building to make way for new independent living apartments.

The funding of charitable activities continued in 2013, with an increase in the amount of grants and donations given.



## Total Comprehensive Income

The Selwyn Foundation recorded total comprehensive income for the year to 31 December 2013 of \$13.1m. This was well up on the 2012 result of \$4.0m, with the gain on revaluation being the major cause of this difference.

## Statement of Financial Position

The Selwyn Foundation remains in a strong financial position. Our balance in cash and other investments was \$64.8m at year end, due to strong sales of the new apartment buildings, and puts the Foundation in a healthy position to proceed with its long-term strategic plans. Investment property values increased as a result of the completion of new apartment buildings, and the settlement of these new apartments led to a higher liability for licensees' interests in ORA units.

During the year, it was discovered that certain assets were being held both within property, plant and equipment and the valuation of investment properties. This amount has been adjusted in prior periods and has led to the 2012 comparative figures being restated. Regardless of this adjustment, the Foundation remains in a strong financial position.

The equity of The Selwyn Foundation increased by \$12.9m during the year, to close at \$178.1m.

## Statement of Cash Flows

The statement of cash flows highlights improved cash performance for the year, with the bank balance increasing by \$16.3m to \$38.6m. This was largely driven by independent living unit sales receipts of \$57.4m from the settlement of 82 new units and 45 resales. This was a significant increase from the 92 total settlements in 2012.



The Gowling apartments opened in 2013 at Selwyn Heights.

Expenditure on new independent living developments continued in 2013, with the completion of Newman-Reid, Kay Hawk and Gowling Apartments and work commencing on the Reeves Apartments, for a total spend of \$11.3m.

During the year, \$20.0m of funds were placed on longer term deposit and are now included within other investments.

The results for the year leave the organisation in a good position to move forward with its development plans in the future, while still achieving its charitable mission. I look forward to another exciting year in 2014.

**Jason More**  
Chief Financial Officer  
The Selwyn Foundation  
March 2014

*The results for the year leave the organisation in a good position to move forward with its development plans in the future, while still achieving its charitable mission.*

# Summary Consolidated Statement of Comprehensive Income

For the year ended 31 December 2013

	Note	2013 \$'000s	2012 \$'000s
<b>Revenue</b>			
Residents' rental and fees		35,490	37,322
ORA service charges		2,285	1,878
Deferred facility fees		5,596	3,035
Other income		474	715
<b>Total revenue</b>		<b>43,845</b>	<b>42,950</b>
<b>Expenditure</b>			
Managers, nurses and caregivers		16,965	17,484
Maintenance and cleaning		5,928	5,327
Administration expenses		7,698	7,127
Depreciation		2,046	2,117
Other expenses		8,411	8,466
<b>Total expenditure</b>		<b>41,048</b>	<b>40,521</b>
<b>Operating profit</b>		<b>2,797</b>	<b>2,429</b>
<b>Other non-charitable income / (expenses)</b>			
Finance income		1,737	957
Increase in fair value of investment property	3	10,653	1,075
Loss sale of fixed assets		(424)	(12)
Impairment of property, plant and equipment		(701)	-
<b>Net profit before charitable activities</b>		<b>14,062</b>	<b>4,449</b>
Charitable activities		(994)	(428)
<b>Net profit for the financial year</b>		<b>13,068</b>	<b>4,021</b>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>13,068</b>	<b>4,021</b>

These summary financial statements are to be read in conjunction with the accompanying notes.





## Summary Consolidated Statement of Changes in Equity

For the year ended 31 December 2013

	Note	Retained Earnings		Reserves		Total Equity	
		2013 \$'000s	2012 \$'000s	2013 \$'000s	2012 \$'000s	2013 \$'000s	2012 \$'000s
Total equity at the beginning of the financial year as reported		163,061	169,652	2,092	2,042	165,153	171,694
Impact of prior period error	4	-	(10,562)	-	-	-	(10,562)
Total equity at the beginning of the financial year (restated)		163,061	159,090	2,092	2,042	165,153	161,132
Profit for the year		13,068	4,021	-	-	13,068	4,021
Other comprehensive income for the year		-	-	-	-	-	-
Legacy funds released as income		-	-	(158)	-	(158)	-
Transfer to reserves		(121)	(50)	121	50	-	-
<b>TOTAL EQUITY AT THE END OF THE FINANCIAL YEAR</b>		<b>176,008</b>	<b>163,061</b>	<b>2,055</b>	<b>2,092</b>	<b>178,063</b>	<b>165,153</b>

These summary financial statements are to be read in conjunction with the accompanying notes.

# Summary Consolidated Statement of Financial Position

As at 31 December 2013

	Note	2013 \$'000s	2012 (restated) \$'000s
<b>Assets</b>			
Cash and cash equivalents		38,606	22,262
Accounts receivable		3,242	3,710
Stock on hand		4	4
Other investments		26,145	5,993
Property, plant and equipment	4	34,515	36,445
Investment properties	3	250,791	230,812
<b>TOTAL ASSETS</b>		<b>353,303</b>	<b>299,226</b>
<b>Liabilities</b>			
Accounts payable and other provisions		5,578	4,939
Loans		315	300
Licensees' interests in ORA units		169,347	128,834
Total liabilities		<b>175,240</b>	<b>134,073</b>
<b>Equity</b>			
Retained earnings	4	176,008	163,061
Reserves		2,055	2,092
Total		<b>178,063</b>	<b>165,153</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>353,303</b>	<b>299,226</b>



**Kay Hawk**  
Trustee

Date: 28 March 2014



**Russell Florence**  
Trustee

Date: 28 March 2014

These summary financial statements are to be read in conjunction with the accompanying notes.



# Summary Consolidated Statement of Cash Flows

For the year ended 31 December 2013

	<i>Note</i>	<b>2013</b>	<b>2012</b>
		\$'000s	\$'000s
<b>Cash Flows from Operating Activities</b>			
Receipts from residents and patients		41,173	41,727
Receipts from residents for ORA units		57,410	41,818
Payments to residents for ORA units		(11,404)	(12,272)
Legacies and donations received		118	453
Interest received		1,567	957
Cash paid to suppliers, employees and donations		(41,632)	(40,983)
Net cash flows from operating activities		<b>47,232</b>	<b>31,700</b>
<b>Cash Flows from Investing Activities</b>			
Sale of property, plant and equipment		1,250	78
Purchase of property, plant and equipment		(841)	(2,969)
Purchase investment properties		(11,279)	(23,092)
Purchase of other investments		(20,033)	(296)
Net cash flows applied to investing activities		<b>(30,903)</b>	<b>(26,279)</b>
<b>Cash Flows from Financing Activities</b>			
Receipt of loan		50	300
Repayment of loan		(35)	-
Net cash flows from financing activities		<b>15</b>	<b>300</b>
<b>Net increase in cash and cash equivalents</b>		<b>16,344</b>	<b>5,721</b>
Cash and cash equivalents as at 1 January		22,262	16,541
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>38,606</b>	<b>22,262</b>
<b>Cash and cash equivalents</b>			
Cash at bank and on hand		7,227	12,700
Short term deposits		31,379	9,562
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>38,606</b>	<b>22,262</b>

These summary financial statements are to be read in conjunction with the accompanying notes.



# Notes to the Summary Financial Statements

For the year ended 31 December 2013

## 1 Statement of Accounting Policies

### Reporting Entity

The Selwyn Foundation (the “Foundation”) is a reporting entity, domiciled and registered in New Zealand for the purposes of the Financial Reporting Act 1993. The Foundation is an issuer in terms of the Securities Act 1978.

The Foundation is a charitable trust registered under the Charities Act 2005 (Registration number CC23254) domiciled in New Zealand. The Foundation offers Christian care and support of the elderly.

The consolidated financial statements for the “Group” are for the economic entity comprising the Foundation and its subsidiary, Selwyn Care Limited. The Foundation and Group are designated as public benefit entities for financial reporting purposes.

### Basis of Preparation

The summary financial statements have been extracted from the audited full financial statements for the year ended 31 December 2013 approved for issue on 28 March 2014.

The full financial statements, from which these summary financial statements have been extracted, have been prepared in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards. The summary financial statements comply with generally accepted accounting practice in New Zealand (‘NZ GAAP’) as it relates to summary financial statements for public benefit entities. The full financial statements and these summary financial statements include a restatement to the 2012 statement of financial position.

The full financial statements have been audited and issued with an unmodified opinion in respect to the years ended 31 December 2013 and 31 December 2012.

The summary financial statements were approved for issue on 28 March 2014 by the Board of Trustees.

The information is presented in New Zealand dollars, which is the presentational currency of the Foundation and the Group. All values are rounded to the nearest thousand dollars (\$000).

These summary financial statements have been prepared in accordance with FRS-43 Summary Financial Statements.

The summary financial statements cannot be expected to provide as complete an understanding as provided by the full financial statements. A copy of the full financial statements can be obtained by contacting the Foundation at PO Box 8203, Symonds Street, Auckland 1150.

## 2 Events After the Reporting Date

There have been no subsequent events between the balance date and date of authorisation of the full financial statements or between the date of authorisation of the full financial statements and the date of authorisation of the summary financial statement which would materially impact on the results reported.



### 3 Investment Properties

	2013 \$'000s	2012 \$'000s
<b>Investment Properties Under Development at Fair Value</b>		
Opening balance	15,744	13,658
Transferred to property, plant and equipment	(2,139)	-
Capitalised subsequent expenditure	10,951	22,893
Completed developments transferred to completed investment properties	(15,040)	(20,807)
Work in progress expensed during the year	(68)	-
Closing balance	9,448	15,744
<b>Completed Investment Properties at Fair Value</b>		
Opening balance	215,068	192,987
Capitalised subsequent expenditure	252	199
Completed developments transferred from investment properties under development	15,040	20,807
Investment properties transferred from property, plant and equipment	330	-
	230,690	213,993
Change in fair value during the year	10,653	1,075
Closing balance	241,343	215,068
<b>Total investment properties</b>	<b>250,791</b>	<b>230,812</b>

Due to lack of comparable market data the valuation of the investment property is not supportable by market evidence. Valuations of the investment property have been performed based on a discounted cash flow methodology whereby the future cash flows expected to be generated from such property have been discounted to the valuation date at a discount rate reflecting the risk of the investment. Significant assumptions used in the valuation include:

- Weighted average cost of capital post tax at 10.7% p.a. (2012: 10.3%)
- Capital growth rate from 2.5% p.a. to 2.8% p.a. (2012: 2.5% to 2.8%)
- Turnover in villas of 10 years (2012: 10 years)
- Turnover in apartments of 7.5 years (2012: 7.5 years)
- Unrecoverable costs and expenses at 1.1% p.a. (2012: 1.6%)
- Refurbishment costs at 1.3% p.a. (2012: 0.8%)

### 4 Prior Period Error

In periods prior to 1 January 2012 the Foundation had recognised land and some common amenities associated with ORA investment properties at cost in property, plant and equipment while at the same time including that land and common amenities in the fair value of investment properties.

The total cost of the land and common amenities in question was \$10.6 million and the error resulted in an overstatement of property, plant and equipment and opening equity in the earliest prior period presented.

The correction of this error has meant that the line items in the 2012 property, plant and equipment, total assets, equity and total liabilities and equity in the Statement of Financial Position as at 31 December have all been overstated by \$10.6 million.

Impact of the prior period error:

	31 December 2012 \$'000s		1 January 2012 \$'000s	
	As Reported	Restated	As Reported	Restated
Property, plant and equipment	47,007	36,445	46,244	35,682
Retained earnings	173,623	163,061	169,652	159,090

# Board Governance, Principles and Guidelines

**The Selwyn Foundation group ensures that good governance practices reflect the nature of the Foundation, its charitable structure and the range of interests of its stakeholders.**

- A key role of the Trustees is to develop, maintain, and review policies and strategic direction, ensuring that these are consistent with The Selwyn Foundation group Mission Statement.
- Trustees observe and foster high ethical standards, as outlined in the Code of Ethics.
- Trustees are independent and reflect a balance of skills, knowledge, experience and perspective so that The Selwyn Foundation group works effectively.
- The Foundation uses committees where this enhances its effectiveness in key areas, while retaining Foundation's responsibility.
- The Foundation demands integrity both in financial reporting and in the timeliness and balance of disclosures on affairs.
- The Foundation regularly verifies that the entity has appropriate processes that identify and manage potential and relevant risks.
- The Foundation ensures the quality of all financial reporting, risk management, and the independence of the external audit process.
- The Foundation respects the interests of stakeholders within the context of The Selwyn Foundation group ownership and its fundamental purpose.
- The Foundation has a strategic focus.

- The Selwyn Foundation Board of Trustees is expected to respond to all relevant legislative and statutory requirements.

## Code of Ethics

The Selwyn Foundation Board of Trustees observes and fosters the following ethical standards as a guide to expected behaviours.

- The requirements of the Constitution are met.
- Conflicts of interest are disclosed when they arise and prior to voting on any matters in which a Trustee has a personal financial or other interest.
- Trustees observe the confidentiality of non-public information disclosed to them as Trustees, and to not disclose it to any other person without the authority of the Board.
- Fair dealing is maintained with customers, clients, employees, suppliers, competitors and other stakeholders.
- Giving and receiving of gifts or payments is disclosed.
- Trustees are familiar with the New Zealand Acts and regulations that govern their responsibilities, and comply with all laws and regulations.
- Unethical decision-making and/or behaviour is brought to the Board's attention and appropriate sanctions are applied.
- The Code is monitored and practices are evaluated against the Code as part of the Foundation's performance assessment.
- Trustees accept collective responsibility for Board decisions and are committed to constructively resolving differences.





- Trustees do not act independently of the Board and its decisions.
- All communication with the media is through the Chair, CEO or their designated spokesperson.

**Board Size and Structure**

The Board is the legal authority for the Foundation. Board members represent the interests of The Selwyn Foundation and residents, both constitutionally, and morally. As such, both the Board and its members are entrusted to ensure that the Foundation is soundly managed for the benefit of all through the executive management team.

The Board currently comprises nine independent directors who are selected to ensure that a broad range of skills, knowledge and experience is available. The Chair is appointed by the Bishop of the Diocese of Auckland, up to six members by the Auckland Diocesan Council and two are elected at the Annual General Meeting. The Board has established four Board Committees: personnel, property, finance, and services to further assist in the running of the Foundation.

**Organisational Structure**

The Board has delegated the management responsibilities of the Foundation to the Chief Executive Officer. The financial progress of the Foundation’s business and charity are reported to the Board each month.

**Internal Financial Control and Risk Management**

The Finance Committee oversees financial matters relating to The Selwyn Foundation and its subsidiaries and is responsible to, and reports to, The Selwyn Foundation Board.

**The Finance Committee ensures:**

- effective management of financial risks that threaten the achievement of objectives are appropriately identified, analysed, evaluated, treated, mitigated and reported.
- the production of reliable management and financial reporting.
- compliance with laws and regulations on financial reporting.
- effective management of reputational risk arising from financial matters.

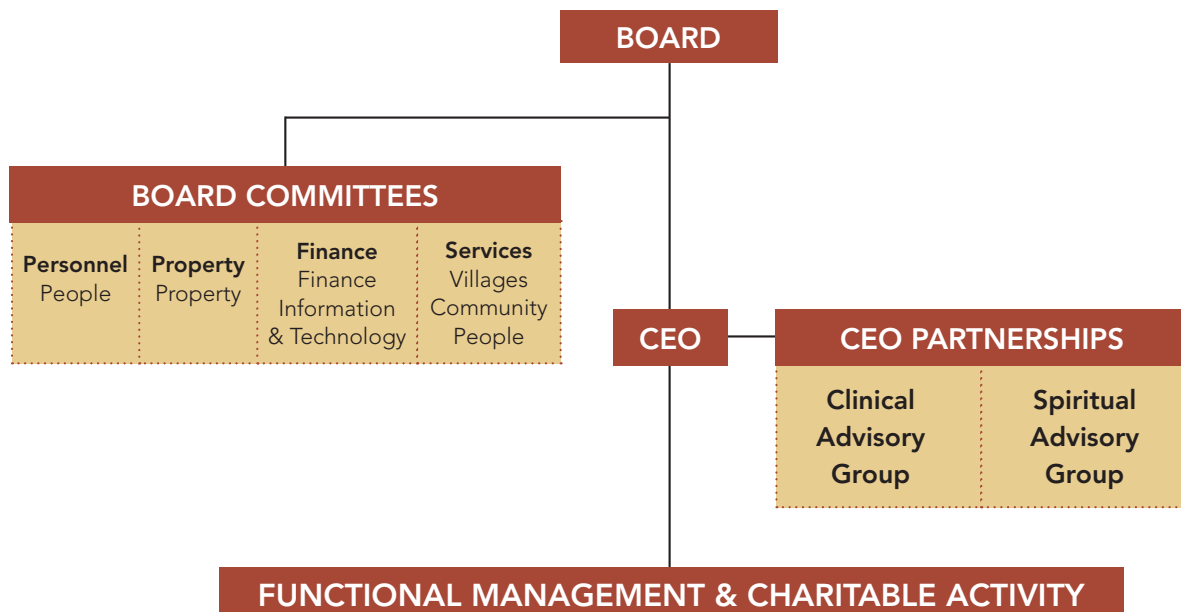
- quality and continuous improvement are fostered in The Selwyn Foundation’s financial control processes.
- maintenance of an effective and efficient internal and external audit.

**Customer and Stakeholder Relations**

The Selwyn Foundation respects the interest of its customer and stakeholders within the context of the Foundation and its fundamental purpose and charitable status.

**The Selwyn Foundation:**

- has clear policies for relationships with all customers and stakeholders.
- regularly assesses compliance with these policies to ensure that conduct towards customers and stakeholders complies with the Constitution, and pertinent legislation, and is within broadly accepted social, environmental and ethical norms, generally subject to the interests of stakeholders.
- ensures strong relationships and advocacy with current and future church and contract stakeholders are established and maintained.







The Selwyn Way

# *To care for older people, you have to care about them*



## **Faith**

**The understanding and affirmation of the meaning of the life, teaching, death and resurrection of Jesus Christ**

## **Care**

The way we show God's love in action

## **Wellness**

The ability of each person to live fully within their capabilities

## **Diversity**

Selwyn is a place for everybody

## **Independence**

How we support individuals to enable them to make choices about their life

“The Selwyn Way, with its focus on ageing well through the concepts of care, independence, wellness and diversity – underpinned by faith – informs every aspect of the work of The Selwyn Foundation. Whatever the task – whether it be in caregiving, developing new buildings, finance or caring for guests in a Selwyn Centre – our work is animated by the elements of The Selwyn Way. It means we are not just doing a job but, rather, endeavouring to enrich the lives of each person who comes in contact with us.” Marianne Hornburg, Spiritual Care Coordinator.

## Donations and Bequests - 2013

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# Received with thanks



Higginbotham Fund  
**\$158,246.25**

C R Stead Trust  
**\$30,000.00**

Sir John Logan Campbell  
Residuary Estate  
**\$25,000.00**

Estate of Joan Annie Hicks  
**\$20,374.81**

Mrs R Kayll  
**\$10,000.00**

The Lou & Iris Fisher Trust  
**\$5,940.00**

Estate of Eric G Cowell  
**\$3,724.39**

Selwyn Oaks -  
Friends of The Oaks  
**\$3,304.20**

Estate of B J Barfoot  
**\$2,864.34**

Estate of John D Owen  
**\$2,821.50**

Selwyn Village  
**\$1,911.00**

Mrs J Smith  
**\$1,852.54**

Mr Tony Glassie  
**\$1,600.00**

Mr & Mrs J Tannahill  
**\$1,470.00**

Christ Church Anglican  
**\$1,000.00**

### Donations were also received from:

Allfrey, P

Bourdot, R I & E J

Collins, E M

Davis, B & A

Dunn Charitable Trust

Good in the Hood

Gupta, R

van der Hulst, C J

Jackson, P

Lawrence, B

Lees, T

McEwan, D

McMahon, J

Mellsop, P N & J K

Paterson Family Trust

St George's Mothers' Union

St Laurence Limited  
(in receivership)

St Mary's Fiji -  
Mission Project 2013

Sanders, J

Selwyn Park  
Village - Whangarei

Selwyn Village Independent  
Residents' Society

Smith, E

Tan, R

Tan, Z

Tretchikoff, D M & J J

Waters, R

Webster, J

Wee, J

Wong Toi, A B & R & families

Wood, M





# Foundation Contacts

## Members of the Board

Dr Kay Hawk, *Chair*  
 John Cameron, *Deputy Chair*  
 James Frater  
 Russell Florence  
 Dr Elizabeth Niven  
 Dr Peter Huggard  
 Peter Macaulay  
 Helen Melrose  
 Jan Nichols

## Senior Leadership Team

Garry Smith  
*Chief Executive Officer*  
 Jason More  
*Chief Financial Officer*  
 Dr Bart Nuysink  
*Chief Medical Officer*  
 Hilda Johnson-Bogaerts  
*General Manager Operations*  
 Colin Bowring  
*General Manager Property*  
 Dr Rod Perkins, *General Manager  
 Foundation Development &  
 Charitable Activity*

Aidan Craig, *General Manager  
 Marketing & Villages*  
 Leanne Pickering, *General  
 Manager People & Performance*  
 Isabella Wright, *Director of  
 Advanced Nursing Practice*  
 Andy Stewart, *Information &  
 Technology Manager*  
 Marianne Hornburg  
*Spiritual Care Coordinator*

## Villages

### Selwyn Village

43 Target Street, Point Chevalier,  
 Auckland 1022. PO Box 44106,  
 Point Chevalier, Auckland 1246  
 Tel: (64-9) 846-0119

### Residential care at Selwyn Village

Caswell Rest Home  
 Tel: (64-9) 845-0731

Kerridge Rest Home  
 Tel: (64-9) 845-0733

Sarah Selwyn Hospital  
 Tel: (64-9) 845-0736

Christ's Hospital  
 Tel: (64-9) 845-0713

Lavender Cottage  
 (dementia day care)  
 Tel: (64-9) 815-4785

Brian Wells Lodge  
 Tel: (64-9) 845-0717

### Independent living at Selwyn Village

Tel: (64-9) 846-0119

### Hansen Close (including Selwyn House)

25 Roseberry Avenue, Birkenhead,  
 Auckland 0626  
 Tel: (64-9) 846-0119

### Selwyn Heights

42 Herd Road, Hillsborough,  
 Auckland 1042

Residential care  
 (rest home and hospital)  
 Tel: (64-9) 624-2600

The Anchorage Day Centre  
 (dementia day care)  
 Tel: (64-9) 815-3991

### Independent living at Selwyn Heights

Tel: (64-9) 815-3992

### Selwyn Oaks

21 Youngs Road, Papakura,  
 Auckland 2110  
 Tel: (64-9) 297-2079

### Selwyn Park

15 Puriri Park Road, Maunu,  
 Whangarei 0110  
 Tel: (64-9) 438-1099

### Selwyn St Andrew's

41J Bryce Street,  
 Cambridge 3434  
 Tel: (64-7) 827-6225

### Selwyn Wilson Carlile

562 Grey Street, Hamilton East 3216  
 Tel: (64-7) 838-1562

### Selwyn Sunningdale

174 Peachgrove Road, Claudelands  
 Hamilton 3214  
 Tel: (64-7) 855-5465,

### Gracedale Home and Hospital

68 Mt Roskill Road, Mt Roskill,  
 Auckland 1041  
 Tel: (64-9) 621-0011

## Services

### Selwyn Management Services

Contract management services  
 Level 4, 1 Nugent St, Grafton,  
 Auckland 1023  
 Tel: (64-8) 845-0838

### Selwyn Nursing Bureau

Health and aged care staff  
 recruitment bureau  
 Tel: (64-9) 929-3040

### Selwyn Centres

39 community day centres  
 for the over 65s, see  
[www.selwyncare.org.nz](http://www.selwyncare.org.nz)



**The Selwyn Foundation**, PO Box 8203, Symonds Street, Auckland 1150. Level 4, 1 Nugent Street, Grafton, Auckland 1023, New Zealand  
Tel: (64-9) 845-0838, Fax: (64-9) 845-0700 [www.selwyncare.org.nz](http://www.selwyncare.org.nz)