

The following report relates to the Foundation's activities for the period 1 January 2016–30 June 2016. As advised at our AGM in April 2016, we changed our financial year from 1 January–31 December to 1 July–30 June, to align our balance date with the residential care funding contract year and with the reporting schedules of our new and future joint venture entities. Our next AGM to cover 1 July 2016–30 June 2017 will be held in October 2017, when a full Annual Report will be presented.

The Foundation had a strong six month period and returned to an operational surplus. We continued our work to expand our charitable outreach to older people who are vulnerable or in need, to diversify and enhance our service offering to our customer-base, and to promote knowledge and learning in gerontology and the care of aged people. Some major projects that we advanced over the period included:

- business planning in relation to our selection as Auckland Council's preferred community housing partner for its portfolio of homes for older Aucklanders (the partnership was later ratified by the council's Governing Body on 25 August)
- finalising our joint venture with Australian health technology service provider, Feros Care, for a new business focussed on technology-enabled healthcare solutions delivered to customers within the home (the jointly owned Inviga company was subsequently launched on 1 July)
- incorporating a range of continuous improvement initiatives into our service provision, following indepth analysis of feedback from our 2015 customer satisfaction survey
- commencing site works for the construction of two residential care and community services facilities at Selwyn Oaks and Selwyn St Andrew's, and progressing the development of new independent living apartments at Selwyn Village and Selwyn Heights
- continuing to develop our day-to-day practices and procedures relating to our unique new model of care which, underpinned by the

Christian faith and The Selwyn Way – our person-centric and holistic approach to the wellbeing of all who connect with The Selwyn Foundation – will address the needs of the whole person.

In addition, we continued to invest in the educational and professional development of our workforce, so we can deliver superior service outcomes for all our customers, and facilitated research projects to improve the future wellbeing of older people.

Members of our Executive team were invited to address delegates at a number of high-profile industry events, such as the Ministry of Health's 'Powering Up Our Future' Health Symposium in April, the New Zealand Council of Christian Social Services' 'Services for Older People' conference in May and the Retirement Villages Association's 'Technology in our Lives' conference in June. Such speaking engagements have allowed us to profile our new technology-enabled community care initiatives to help older people live well, and reinforced our standing as a leading provider of innovative and quality services for older people.

The Selwyn Foundation Board welcomed two new members earlier in the year, Clement Chia and Stephen Titter, who bring considerable experience in finance, accounting, property and business management to complement the Board's existing skills and expertise. The Board has also continued with its schedule of open forums with residents across the Foundation's villages; in considering the needs of those whom we support and care for, Board Members greatly value these opportunities to build relationships with our village communities, and the visits facilitate useful debate and discussion of our Mission and strategic objectives.

On 22 May, the Foundation celebrated 62 years of providing services to older people. During our Founders' Day service of thanksgiving at Selwyn Village's Chapel of Christ the King, two new Companions of the Foundation were honoured: Dame Diane Robertson – in recognition of her 22 years of outstanding leadership as Auckland's City Missioner and her close association with Selwyn during that time – and Russell Florence,

who had recently retired from the Board after eight years as Chair of the Finance Committee and, latterly, as Deputy Chair.

In continuing the work of our founders, whilst innovating and diversifying our services to meet the current and future needs of ageing people and their families, we have a debt of gratitude to all our staff and volunteers, to whom we extend sincere thanks for all that they do to care for and about our residents, dementia day centre clients and Selwyn Centre guests each and every day. It is thanks to them that we can build on our achievements to date and are able to take forward into the future the Selwyn vision that began more than sixty years ago.



Kay Hawk
Chair
The Selwyn Foundation
October 2016



Garry Smith
Chief Executive Officer
The Selwyn Foundation
October 2016

Charity

Social Isolation and Loneliness

Clown Doctors' visitation programme

Clown Doctors visits have become an integral part of our diversional therapy programme within our rest homes and hospitals across all our villages. By interacting with residents in a humorous way, the Clown Doctors offer enabling environments that enhance residents' enjoyment of life and self-image, whilst at the same time offering compassionate, respectful and person-centred empathy. The Foundation is pioneering the work of the Clown Doctors in the residential aged care environment and is the first provider in New Zealand to engage their services, thereby reinforcing our commitment to provide excellent care and support for residents.

Volunteering

Interest in volunteering roles at Selwyn has continued throughout the year, and our current number of active volunteers has now risen to

200. Our volunteering programme maintains a positive contribution in both village-based services and our dementia day centres, involving those who are residents within our villages as well as people from local neighbourhoods. To coincide with National Volunteering Week in June, each village hosted a function in honour of our volunteers to say thank you for making time for Selwyn, with village managers taking the opportunity to personally thank volunteers on behalf of the Foundation.

Social Housing

Community housing partnership with Auckland Council

Throughout 2016, we have been working with Auckland Council on the proposed community housing partnership for its portfolio of homes for older Aucklanders, which will see the partnership delivering tenancy management and associated services to older people living in the council's 1,452 rental units across south, north and west Auckland. Through this joint venture, we aim to provide outstanding social housing for older people, with tenants well served and content where they live and with the services they receive. We will work with the council to transition operations over the coming months, with a view to commencing services next year.

Hardship Support

Puckey Fund and the Auckland Ladies' Benevolent Fund

The Foundation administers two hardship support funds - the Puckey Fund and the Auckland Ladies' Benevolent Fund - to provide financial assistance to those who cannot afford some of the essentials for healthy living, such as dental work, hearing aids and spectacles. Grants are available to our village residents and Selwyn Centre guests who qualify and, this year, have been extended to clients of our dementia day centres. Funding can also be used to purchase equipment for communal use. We actively promote the availability of these funds and invite applications from across our customer-base.

Learning

Upskilling Staff

Learning programme

We continue to embed our Learning Programme across the organisation. As a result of a new range of industry qualifications becoming available, we now have more options to develop the internal skills and knowledge required to improve the customer experience. The new model recognises the learning that occurs in the workplace, thus making the achievement of formal qualifications a natural part of doing the job. This approach supports our goal of encouraging and supporting employees to achieve the qualifications that are relevant to their roles, with the opportunity to progress through the pay scale and receive rewards for their efforts.

2016 Business Communications course

Our 2016 Business Communications course got underway earlier in the year, with a total of 55 members of staff taking part from all sites. The initiative is designed to help with language, literacy and numeracy skills in the workplace, as well as in everyday life. At the conclusion of this year's programme in October, a total of 135 learners will have completed the 40-hour course across the Foundation.

The Selwyn Institute for Ageing and Spirituality

The Selwyn Institute for Ageing and Spirituality supports a wide range of research in areas relating to ageing and spirituality and partners closely with universities based in Auckland. Research currently underway includes the impact of mindfulness training on residential aged care staff and their caregiving role, the effects of Poi and Tai Chi on physical and cognitive function in healthy older adults, and medical problems and medical trajectories (evolution of those outcomes over time) of retirement village residents. The Institute also delivers a number of professional development events including the annual Gerontology Nursing Conference, which this year offers an ageing and spirituality stream, the Certificate in Pastoral Care of Ageing People and the Selwyn Centres' coordinators' training day.

Community

First Selwyn Centre to open in Hamilton

In May, a Selwyn Centre opened at St Luke's Anglican Church in Melville, Hamilton, with the opening attended by Bishop Helen-Ann Hartley of the Anglican Diocese of Waikato and Taranaki. This is the first Selwyn Centre to open in Hamilton and was facilitated by the Bishops Action Foundation, part of the Waikato Anglican Diocese, which has previously received funding from Selwyn to help set up Selwyn Centres in Cambridge, Morrinsville and Te Awamutu.

Enhanced activities for community day service clients

Following the excellent results from last year's customer satisfaction survey, which rated our Anchorage and Lavender Cottage dementia day centres higher than all similar facilities that were surveyed in New Zealand and Australia by the same organisation, a focus group was held with family members of clients attending the Anchorage, organised in conjunction with Alzheimer's Auckland. Feedback from attendees included suggestions as to the type of day programme content they would like. As a result, the activities programmes at both day centres are being expanded, with Lavender Cottage's art therapy, themed events, visiting pets and outings, for example, further adding to the enriching environment provided for our clients.

Launch of joint venture company, Inviga

The Foundation entered into an innovative joint venture with leading Australian health technology and community service provider, Feros Care, to service the New Zealand health sector's community-based care requirements. The new company, 'Inviga' (from 'Invigorate'), is a 50/50 JV between both organisations and was established following the success of the Telehealthcare pilot undertaken by Selwyn last year and developed in association with Feros Care.

Inviga has been set up to provide technology-enabled, home-based service delivery models and more holistic and coordinated wraparound care to a wider range of people who are in need. Its priority is to work with DHBs and other service partners to provide tailored, restorative healthcare, helping clients to remain independent, socially connected and healthy in their own homes and so prevent or minimise their admission to hospital or residential aged care.

Villages

Audit success

We received excellent results in the various Ministry of Health audits of our residential care facilities conducted in the first half of the year, with all achieving the coveted three and four year recertification periods as well as wonderful feedback from the auditors. Such results showcase the systems, processes and quality care that our residents and families can be assured of as Selwyn customers.

Residents derive therapeutic benefit from PARO robotic seals

The Foundation became the first provider in New Zealand to introduce therapeutic 'PARO' robotic companion seals to its care facilities, following successful trials with our residents undertaken by Auckland University in 2013. As we now have a total of thirteen seals, all our care residents and dementia day centre clients are able to interact with PARO on a regular basis and therefore benefit from the positive therapeutic effects, which include restoring a sense of calm, comfort and wellbeing and encouraging greater social activity.

Our application of PARO and its proven benefits for residents recently won the NZ Aged Care Association's 2016 award for Innovative Delivery and is in recognition of our continuous pursuit of excellence in our care provision.

Development

Construction works for our new residential care and community amenities developments at both Selwyn Oaks and Selwyn St Andrew's commenced in May. Selwyn Oaks' new building will be named 'The Lees Centre' in recognition of the outstanding contribution of the late Ted and Rowley Lees to the establishment of Selwyn Oaks

village. Selwyn St Andrew's new development is to be named 'The Moxon Centre' in recognition of Archbishop Emeritus Sir David Moxon KNZM, former Bishop of Waikato, former Primate and Archbishop of the New Zealand Dioceses of the Anglican Church in Aotearoa, New Zealand and Polynesia. This is the first phase of an exciting programme of re-development at each village, which will ensure first-class care and services for residents in the years to come as well as a modern work setting for our staff.

The design programme for Selwyn Village's new residential care facility is also nearing completion, with construction anticipated to commence in February 2017, whilst work on the village's 57-unit Betty Pyatt Apartments and the 32-unit Caughey Apartments at Selwyn Heights was completed in July and August 2016 respectively.

Chaplaincy activities

It has been a busy year for the chaplaincy team. In addition to providing spiritual and pastoral support to our village communities, the chaplains have led our worship during a number of special occasions such as the Founders' Day and Anzac Day commemorations, our various blessings and opening ceremonies for our new developments, and the dedication of the newly reconfigured chapel space at Selwyn Park (work undertaken earlier in the year has provided a permanent chapel area for prayer and gatherings for varying-sized groups of residents. The chaplaincy service has also recently been extended to our Hansen Close and Selwyn House sites in Auckland, and a new Chaplains' mission project has been launched at Selwyn Village to raise funds for the purchase of land for the landless Melanesian families of Nadawa.



The Selwyn Foundation Group
Summary Consolidated Statement of Comprehensive Revenue and Expense
For the 6 months ended 30 June 2016

	Note	6 Months to June 2016 \$'000s	12 Months to Dec 2015 \$'000s
Revenue			
Resident's rental and fees		15,705	31,002
ORA service charges		1,615	3,107
Deferred facility fees		4,699	7,813
Other income		598	678
Total revenue		22,617	42,600
Expenditure			
Managers, nurses and caregivers		8,938	18,649
Maintenance and cleaning		2,820	7,811
Administration expenses		4,194	8,261
Depreciation		1,163	2,108
Other expenses		4,100	7,709
Total expenditure		21,215	44,538
Operating surplus / (deficit)		1,402	(1,938)
Finance Income			
Interest Received		1,098	2,687
Net Finance Income		1,098	2,687
Other non-charitable income / (expenses)			
Increase in fair value of investment properties	2	34,107	14,767
Feasibility studies		(4)	(505)
Total other non-charitable income / (expenses)		34,103	14,262
Share of joint venture - Inviga		(205)	-
Net Profit before charitable activities		36,398	15,011
Charitable activities		(629)	(933)
Surplus/(deficit) for the period		35,769	14,078
Other comprehensive revenue and expense for the period		-	-
Total comprehensive revenue and expense for the period		35,769	14,078

The Selwyn Foundation Group
Summary Statement of Changes in Net Assets/Equity
For the 6 months ended 30 June 2016

	Note	Retained Earnings		Reserves		Total Equity	
		6 Months to June 2016 \$'000s	12 Months to Dec 2015 \$'000s	6 Months to June 2016 \$'000s	12 Months to Dec 2015 \$'000s	6 Months to June 2016 \$'000s	12 Months to Dec 2015 \$'000s
CONSOLIDATED							
Total equity at the beginning of the financial year as reported		216,873	202,851	2,160	2,104	219,033	204,955
Net comprehensive revenue and expenses		35,769	14,078	-	-	35,769	14,078
Transfer to reserves		(27)	(56)	27	56	-	-
Total equity at the end of the financial year		252,615	216,873	2,187	2,160	254,802	219,033

The Selwyn Foundation Group
Summary Consolidated Statement of Financial Position
As at 30 June 2016

	Note	30 June 2016 \$'000s	31 December 2015 \$'000s
Assets			
Cash and cash equivalents		32,010	28,316
Accounts receivable		2,695	4,245
Other investments		14,676	30,763
Investment in joint venture		45	-
Property, plant and equipment		36,480	35,955
Investment properties	2	385,955	331,089
Total assets		471,861	430,368
Liabilities			
Accounts payable and other provisions		11,889	8,107
Loans		245	245
Licensees' interests in ORA units		204,925	202,983
Total liabilities		217,059	211,335
Equity			
Retained earnings		252,615	216,873
Reserves		2,187	2,160
Total equity		254,802	219,033
Total Liabilities and Equity		471,861	430,368

For and on behalf of the Board of Trustees:



Kay Hawk
Trustee

Date: 25 October 2016



Clement Chia
Trustee

Date: 25 October 2016

The Selwyn Foundation Group
Summary Consolidated Statement of Cash Flows
For the 6 months ended 30 June 2016

	Note	6 Months to June 2016 \$'000s	12 Months to Dec 2015 \$'000s
Cash Flows from Operating Activities			
Receipts from residents for village and care fees		19,465	34,487
Receipts from residents for refundable occupation right agreements		19,599	35,374
Payments to residents for ORA units		(13,002)	(15,978)
Legacies and donations received		24	143
Interest received		964	2,292
Cash paid to suppliers, employees and donations		(21,640)	(42,705)
Net cash flows from operating activities		5,410	13,613
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(1,798)	(3,520)
Construction and purchase of investment properties		(16,365)	(21,538)
(Increase)/Decrease of other investments		16,447	11,024
Net cash flows applied to investing		(1,716)	(14,034)
Cash Flows from Financing Activities			
Repayment of loan		-	(35)
Net cash flows from financing activities		-	(35)
Net increase in cash and cash equivalents		3,694	(456)
Cash and cash equivalents as at 1 January		28,316	28,772
Cash and cash equivalents at end of year		32,010	28,316
Cash and cash equivalents			
Cash at bank and on hand		5,721	5,865
Short term deposits		26,289	22,451
Cash and cash equivalents at end of year		32,010	28,316

The Selwyn Foundation Group
Notes to the Summary Financial Statements
For the 6 months ended 30 June 2016

1 Statement of Accounting Policies

Reporting Entity

The Selwyn Foundation is a reporting entity, domiciled and registered in New Zealand for the purposes of the Financial Reporting Act 2013 and the Retirement Villages Act 2003 and its financial statements comply with these Acts. The consolidated summary financial statements presented comprise The Selwyn Foundation and its wholly owned subsidiary, Selwyn Care Limited, the Selwyn Group Limited Partnership and the joint venture (which has been equity accounted), The Selwyn Feros Limited Partnership and its General Partner Inviga Limited (together 'the Group').

The Selwyn Foundation and its subsidiary Selwyn Care Limited, are charitable trusts registered under the Charities Act 2005 (Registration numbers CC23254 and C21480) domiciled in New Zealand. The reporting terms and conditions set by Charities Services require the parent entity to prepare consolidated financial statements. This is a requirement of the Charities Act 2005 (section 46(1C)). The Group offers Christian care and support of the elderly.

Basis of Preparation

The summary financial statements have been extracted from the audited full Financial Statements for the six months ended 30 June 2016 and approved for issue on 20 September 2016.

The full financial statements, from which these summary financial statements have been extracted comply with generally accepted accounting practice in New Zealand (NZ GAAP). For the purposes of complying with NZ GAAP, the Group is a public benefit entity. The full financial statements comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) as appropriate for not-for-profit (NFP) entities. The Group is a Tier 1 entity based on size. These financial statements are the first financial statements prepared in accordance with the new PBE IPSAS.

The full financial statements have been audited and issued with an unmodified opinion in respect to the six months ended 30 June 2016 on 20 September 2016.

The summary financial statements were approved for issue on 25 October 2016 by the Board of Trustees.

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

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

The summary financial statements do not include all the disclosures provided in the full financial statements and 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 Selwyn Foundation at PO Box 8203, Symonds Street, Auckland 1150.

Change of balance date

The Group has elected to change its balance date from 31 December to 30 June in order to align with new and future joint venture partnerships as well as with funding agreements. These financial statements are therefore prepared for the first six months from 1 January 2016 to 30 June 2016 and the comparatives are for a full year to 31 December 2015.

The Selwyn Foundation Group
Notes to the Summary Financial Statements
For the 6 months ended 30 June 2016

2 Investment Properties

	6 Months to June 2016 \$'000s	12 Months to Dec 2015 \$'000s
<i>Investment Properties Under Development at cost</i>		
Opening balance	24,808	2,509
Transferred from/(to) property, plant and equipment	-	(214)
Capitalised subsequent expenditure	19,829	22,711
Completed developments transferred to completed investment properties	(40,292)	(171)
Expensed to Statement of Comprehensive Income	-	(27)
Closing balance	4,345	24,808
<i>Completed Investment Properties at fair value</i>		
Opening balance	306,281	291,258
Capitalised subsequent expenditure	930	85
Completed developments transferred from investment properties under development	40,292	171
	347,503	291,514
Change in fair value during the year	34,107	14,767
Closing Balance	381,610	306,281
Total investment properties	385,955	331,089

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 has 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 (2015: 10.7%)
- Capital growth rate from 2.5% p.a. to 2.8% p.a.(2015: 2.5% to 2.8%)
- Turnover in villas of 10 years (2015: 10 years)
- Turnover in apartments of 7.5 years (2015: 7.5 years)
- Unrecoverable costs and expenses at 1.1% p.a. (2015: 1.1%)
- Refurbishment costs at 0.7% p.a. of outgoing residents purchase price (2015: 0.7% of outgoing residents purchase price)

3 Events After the Reporting Date

The Group has entered into a Memorandum of Understanding with Development Auckland Limited an Auckland Council Controlled Organisation, with the aim of entering into a partnership arrangement for the management of their housing for older people portfolio. The creation of the joint venture has been approved by both parties and legal documentation is currently being drawn up. At this time it is not possible to estimate the financial impact this will have on the financial statements.

REPORT OF THE INDEPENDENT AUDITOR
ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF
THE SELWYN FOUNDATION

The accompanying summary financial statements, which comprise the Summary Consolidated Statement of Financial Position as at 30 June 2016, the Summary Consolidated Statement of Comprehensive Revenue and Expenses, Summary Consolidated Statement of Changes in Net Assets/Equity and Summary Consolidated Statement of Cash Flows for the 6 months then ended, and related notes, are derived from the audited financial statements of The Selwyn Foundation for the 6 months ended 30 June 2016. We expressed an unmodified audit opinion on those financial statements in our report dated 20 September 2016. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of The Selwyn Foundation.

Trustees Responsibility for the Summary Financial Statements

The Trustees are responsible for the preparation of a summary of the audited financial statements in accordance with Public Benefit Entity Financial Reporting Standard 43: *Summary Financial Statements* (PBE FRS 43).

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) (ISA (NZ)) 810, "Engagements to Report on Summary Financial Statements."

Other than in our capacity as auditor we have no relationship with, or interests in, The Selwyn Foundation.

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of The Selwyn Foundation for the 6 months ended 30 June 2016 are consistent, in all material respects, with those financial statements, in accordance with PBE FRS 43.



STAPLES RODWAY AUCKLAND
CHARTERED ACCOUNTANTS
AUCKLAND

25 October 2016