



Kapiti Retirement Trust

"a lifestyle to enjoy"

2010
ANNUAL REPORT

KAPITI RETIREMENT TRUST

DIRECTORY

<i>Board Members</i>	John Aburn, BCom, FACA (Chairman) Graeme Strand (Deputy Chairman) Peter Kennedy, CA, ACIS Wilson Lattey, FNZIS Norrey Simmons, APR, FPRINZ Tony Staniford, BA, MNZIT Gil Warren
<i>Solicitors</i>	The Law Connection, Raumati
<i>Banker</i>	Bank of New Zealand
<i>Auditor</i>	PKF Martin Jarvie
<i>Statutory Supervisor</i>	The Trustees Executors Limited
<i>General Manager</i>	Wendy Huston, MBA (Distinction) Adv Com Tchrs' Dip; SectCol Dip (Distinction)
<i>Support Services Group Manager</i>	David Blair, BBS, CA
<i>Resident Care Group Manager</i>	Keren Lusty, RN, PGCertPHC
<i>Clinical Team Manager</i>	Kathy Austin, RCpN, BNurs, PGCertNurse

Chairman's Report

I have much pleasure in presenting my report for the year ended 31st December 2010, to this, the 51st Annual General Meeting of the Trust. I also commend to your attention the accompanying report from Wendy Huston, the Trust's General Manager.

Trust Board

During the year under review Mr John Guthrie resigned from the Trust Board and in accordance with the Trust's Constitution, the Trust Board filled the casual vacancy thus created by appointing Mr Tony Staniford, a resident of Midlands Gardens, to the Trust Board.

Tony Staniford is required to stand for election at this Annual General Meeting. Graeme Strand, who retires by rotation, has indicated he is available for re-election.

I strongly recommend they both be elected for a further term to the Trust Board.

Obituary

In November 2010, Mrs Joan Sherley, QSM, a former Trust Board Member (1983-1987) passed away. The Trust has expressed its condolences to the Sherley family in recognition of her contribution to the affairs of the Trust.

Financial

As at 31 December 2010, the Trust's assets totalled \$77.92 million, of which \$354,000 was held in cash reserves. The Trust's 'trading profit' for the year was \$620,477 (2009 - \$141,297) a reflection of an increase in sales margins, capital deductions and amenities contributions from increased activity in the sale of ORA's (Occupation Right Agreements).

Following the revaluation of property, plant and equipment and the gain on the revaluation of investment property, the "Total Comprehensive Income" for the year was \$2.78 million profit compared with a loss of \$3.13 million the previous year.

The most significant factors impacting our financial results for the year under review are:-

1. An increase in "Employee Benefits", mostly attributable to increased salaries and wages, particularly in the Lodge with the reopening of the completely refurbished Matai Wing and the associated increase in staffing numbers. We continue to have staffing levels in the Lodge that exceed the industry norm, thus ensuring a continuation of our high level of care.
2. From a resident's point of view, their interest in the villa or apartment they occupy (and over which they hold an Occupation Right Agreement) has increased from \$57.75 million to \$58.30 million, indicating the general down turn in the property market has had little or no effect on our "estate". Demand for both villas and apartments remains strong.

3. The Trust's principal charitable asset - the Lodge (hospital) and associated facilities - suffered a reduction in valuation of \$70,000 as a result of the Trust being required to value these assets according to the new accounting standards. Overall, the Trust Board is satisfied that all of the Trust's assets, whether they be the hospital and ancillary facilities, or villas and apartments occupied by our residents, are maintained to a high standard.
4. The "Cash Flow" statement on page 4 of the Annual Report gives a summarised breakdown of the actual cash flows through the financial year under review.
5. To comply with current accounting standards we are required to present our accounts as if we were a "for profit" commercial trading enterprise (as are many of the major participants in this sector).

A significant annual increase in local body rates is beyond our control and, despite our own efforts and those of the Retirement Villages Association, we have been unsuccessful in gaining access for our residents to the rates rebate scheme. The weekly fee paid by residents includes a share of these rates as well as the "Care Coordination Facility Fee" for which the residents have overwhelmingly supported retention. The weekly fees paid by residents are firstly budgeted, consulted with residents and then set at a level that is a break even, cost recovery of the direct costs chargeable to cover the above items as well as exterior maintenance and insurance on villas, and maintenance of other facilities including the swimming pool, recreation centres, libraries, bowling green etc.

In furtherance of its "charitable purpose" the Trust continues to utilise the surplus arising from the termination of Occupation Right Agreements to fund a substantial portion of its significant investment in the Lodge and associated facilities.

Minister's Visit

On 19 July, the Trust Board was delighted to host a visit from the Hon Tony Ryall, Minister of Health, Hon Nathan Guy, Member of Parliament for Otaki, Mayor Jenny Rowan and other guests, to celebrate the opening of the Matai Wing and the completion of the upgrade and refurbishment of the Lodge. The total cost to the Trust of the construction of the new Rimu Wing, refurbishment of the remainder of the Lodge, the dining room, activities room, administration areas, common areas in the apartment complex and the Sevenoaks recreation centre is in the order of \$3 million. The greater majority of this amount has been paid for from internally generated surpluses, with other contributions coming from organisations, individual trust members and families of residents who have supported the Trust's charitable purpose. We are extremely grateful for their generosity.

With the completion of the Matai Wing upgrade, the Trust commenced the provision of both short-term respite and palliative (end of life) care. Capital Coast DHB has granted us funding for three "respite" beds and it is our desire to be able to also provide "24/7" hospice facilities, recognising that the Kapiti Coast has the oldest population, per capita, in the country and that the nearest other facility of this kind is over 50km away in Wellington City.

Maintenance

Significant funds are allocated for maintenance of the Sevenoaks, Muriwai Court and Midlands Gardens residential complexes – in 2010 an amount of \$868,000 was set aside for this purpose (2009 - \$859,000). The Maintenance Plan which we work to is a 10–year rolling plan which is prepared annually by management, approved by the Board and is a statutory requirement under the Retirement Villages Act 2003. A copy is available to every resident holding an ORA.

New Apartments

We are currently undertaking investigations into the extension of the apartment complex with the addition of four new apartments (two x two bedroom and two x one bedroom). We are hopeful that, subject to the resolution of several planning and engineering matters, building can commence in the near future.

Kapiti Airport

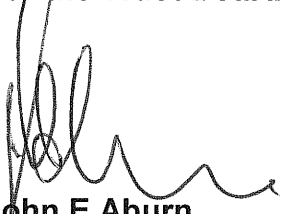
We continue to enjoy an excellent working relationship with Sir Noel Robinson and his staff.

Acknowledgements

On behalf of the Trust Board, I sincerely thank our General Manager - Wendy Huston, Keren Lusty - our Group Manager, Resident Care and David Blair - our Group Manager, Support Services and all our staff for a magnificent effort throughout the year. The dedication of all members of our team in managing the health care and other requirements of our residents, whether they live independently or are residents of the Lodge, is extremely gratifying and much appreciated by all concerned.

My sincere thanks also to my fellow Trust Board members and their generosity in giving so freely of their time to attend to the governance of the Trust's affairs.

For the Trust Board



John E Aburn
Chairman

5 April 2011

General Manager's Report

It is with pleasure that I write this report for the 51st year of the Trust and the end of my second year as General Manager. It has been a year of challenge and development for the Trust with a number of significant developments and achievements.

Accreditation

A major achievement for the Trust was gaining three years accreditation following an organisational audit of the Lodge and the RVA audit happening at the same time. We were one of the first Villages in the country to undergo a combined audit. The outcome was three years' certification for both the Village and the Lodge.

The Village audit was met with no areas of compliance outstanding. The Lodge audit reported against 222 standards and we received only four partially achieved standards, all of which have subsequently being met. This was an outstanding result. Both Keren Lusty, Group Manager Resident Care and David Blair, Group Manager Support Services are to be congratulated for their leadership and expertise in the work leading up to these results.

The Lodge

With the move back into the refurbished 'Kauri House' by the dementia residents and after identifying gaps in the local aged care market, work commenced last April in turning the Matai Wing into a short stay respite, convalescence and palliative, end of life care Wing. Political support for this move was provided with visits in the early stage by the Hon Tony Ryall, Minister of Health, MP for Otaki Nathan Guy and local Mayor, Jenny Rowan.

A proposal to service organisations and philanthropic individuals to fund furnishings and additional resources in Matai Wing in return for room naming rights, has seen the rooms individually furnished to a standard not otherwise affordable. To date, in excess of \$90,000 has been received from the wider community for use in this Wing. In addition, we have received donations from supporters of the Trust to further enhance the lives of our residents in the Lodge. Items include; art work, art and craft supplies, equipment, indoor and outdoor furniture. I am deeply indebted to them for their generosity.

We are also privileged to have working within the Lodge a large team of dedicated volunteers. From creating floral displays, bringing pets in to visit, running and assisting with church services, helping to move Lodge residents to activities and assisting with cooking, arts and craft sessions; their compassion and generosity of time, energy and skills is so very much appreciated.

Construction of conservatories in both the Matai and Kowhai Wings have provided much needed additional lounge areas for hospital level residents.

On 19 July 2010, the Minister of Health, the Hon Tony Ryall, formally opened the fully refurbished Lodge, including the Matai Wing. This was a great occasion with representatives from the Health and the Retirement Villages' sector attending; along with Board, residents, staff, family, and supporters of the Trust.

The Village

Other major areas upgraded during the year have been the Apartments' dining room which necessitated Apartment residents having "luncheon in the lounge" in the Apartments' west lounge for several months. The Lodge activities room and the main administration/reception area have also been upgraded. Changing the administration area to open it up and provide visibility to it from the front main doors, has greatly enhanced first impressions of the Lodge.

The end of 2010 and Jan/Feb 2011 saw the refurbishment of the Sevenoaks' Recreation Centre. The centre was closed for three months and changes included turning the underutilised end of the hobbies room into a dedicated snooker room. This new room is now in use and is an additional asset for the Village. The indoor bowls area previously in the middle of the recreation centre, was moved to the area previously occupied by the snooker table. These changes have resulted in significantly more space being available for resident activities.

Under the 10 year Maintenance Plan, furnishings in the recreation centre have also been replaced. Much of the existing furniture had been second hand, coming from Marire Resthome when it closed in 1999. Feedback from residents on the changes has overall been very positive.

Residents at Muriwai Court have not been forgotten with the conversion of a garage there into a small but functional residents' lounge. A residents' picking garden has also been developed; complete with herbs, fruit trees and seasonal vegetables.

During the year preliminary planning has also occurred to scope out the viability of constructing an additional four new apartments integrated into the existing Apartments complex. On obtaining consent approval from KCDC it is intended that the building programme will commence, with the new Apartments being available for occupation late 2011.

Demand for village accommodation continues to be strong. However, with sales of residential property in the open market at an all time low, current policy is now to give priority to those on the Register of Interest who are able to make an unconditional agreement on property, independent of first selling an existing property. Our first responsibility must be to our exiting residents and their families.

Systems

Technology upgrades have seen the installation (for both short term and longterm use) of VOIP phones (which are accessed using the internet) by any resident within the Lodge, along with cable TV using the Flatscreen wall televisions which have been installed in bedrooms throughout the Lodge.

Additional computers have been installed in the nursing station of the Lodge and our administrative systems have seen MYOB and IMS Payroll upgraded and a computer-based staff rostering system for the Lodge implemented.

Promotion

The change of name in July 2009 sparked off a wide range of inevitable changes. The rebranding of the organisation is now complete with all signage upgraded and replaced including signage on the vehicles. The cost of the rebranding was met by cancelling media contracts no longer relevant.

The Lodge had national exposure with an approach from TV3 to visit and film for a segment on aging for their current event programme *The Nation*. While all media contact involves a risk, it was felt if this could be managed, it could provide a positive means of exposing to the wider community the great job our staff do in caring for our residents. The over 2 1/2 hours of filming resulted in five minutes of very positive TV coverage.

A double page promotion in the local newspapers at the completion of the Lodge upgrade and the opening of the Matai Wing by the Minister of Health occurred at the end of July. A monthly column, profiling Trust activities in the local *Kapiti News* keeps the name of the Trust in front of the community.

Grounds

A point of difference we enjoy is undoubtedly our grounds. As the seasons change, they bring constant positive comment from residents, staff and visitors. Over the year, as well as normal maintenance and seasonal work, the grounds team have worked on a number of projects to enhance the sites. These have included; additional car-parking and landscaping at the main entrance; new gardens developed outside Matai Wing, the utilities area and the Apartments and replanting of a number of gardens around the Village. A new common garden and outdoor seating area has been developed at Muriwai Court. The installation of the irrigation system throughout Midlands Gardens is now complete and in the longer term, this will see the gardens there duplicating the high quality of those found at Sevenoaks.

Road markings throughout the village have been upgraded with work including; reducing the speed limit near the Lodge, marking additional disabled carparks outside the main entrance, allocating parking for regular contractors and installing speed humps and additional signage in areas throughout the village, identified by staff and residents as posing a risk.

Maintenance

In addition to undertaking much of the refurbishing of villa upgrades, and dealing with the multiplicity of maintenance issues occurring in the 244 villas/apartments, the 59 bed Lodge and in all of the common facilities including the swimming pool, the maintenance team have also completed village wide checks in a number of areas. Ceiling insulation, annual smoke alarm checks and identifying with residents the location of their water, gas and electricity mains have occurred. Replacement of the problematic dux qest piping throughout the older villas has largely been completed with any still outstanding being replaced when villas are refurbished.

Staff

Our staff remain our single greatest asset. The reputation of the organisation comes back to the experiences our residents and their families have and our staff consistently set the highest standard. Having trained staff is a key component of this

and at the end of last year, 22 staff members attended our graduation having successfully gained NZQA qualifications. These numbers compared to 12 graduating in 2009 and four in 2008. In addition to supporting the cost of their training, the Trust also provided in-house tutor support.

I am indebted to staff members for their loyalty to the organisation; the passion so many of them show in the way in which they work and how they apply the principles of our developed Mission Statement:

We: *Preserve Dignity*
Provide Choice
Promote Independence

I particularly wish to acknowledge the contribution made to the management of the Trust by the Group Manager Support Services – David Blair and Group Manager Resident Care – Keren Lusty. Their commitment, hard work and dedication to the organisation is immense.

The Board

Last but by no means least, acknowledgement must be given to our Governance Board. My sincere appreciation and thanks go collectively and individually to Chair John Aburn, Deputy Chair Graeme Strand, Wilson Lattey, Peter Kennedy, Gil Warren, Norrey Simmons, and recent appointee, resident Tony Staniford for their interest and involvement in the Trust. They provide this organisation with a formidable array of business acumen, community understanding and financial expertise. For a business of this size and significance to have a voluntary Board is quite remarkable. I am indebted to each of them for their support and wisdom and thank them sincerely for their contribution to this organisation which is such a community asset.



Wendy Huston
General Manager

5 April 2011