



Living lives of
MEANING AND PURPOSE

2019 Annual Report



HBH SENIOR
LIVING
In every little way, we care





OUR VISION

All older people have the knowledge and support they require to have fullness of life.

OUR MISSION

To provide older people with care services that are excellent, compassionate and responsive.

OUR FOCUS

We provide services for older people in need of support but have a special focus on those who are especially frail or vulnerable due to their age, health or situation.

OUR MOTIVATION

The compassion, love and justice demonstrated in the life of Jesus Christ.

2019: A YEAR OF MEANING AND PURPOSE

2019 has been a significant year for HBH Senior Living: a year of providing continued excellence in care, and also expanding our services to reach more older people in our community.

This year, we were once again awarded four years' certification from the Ministry of Health (the longest period that can be awarded), plus we received seven Continuous Improvement awards for our work.

At HBH, we aim to provide more than excellent clinical care: we want our residents to live a full life with meaning and purpose – which is why we've adopted the Eden Alternative philosophy of care. This year we attained our final two principles, and are now a fully registered Eden Alternative facility (one of only two in Auckland).

Our Day Club (previously called Day Programme) continues to thrive and grow with strong demand from our community. This much-needed service provides companionship, activity and lunch for older people who are frail, lonely or have some dementia or cognitive decline.

Our housing services are also in demand, with high occupancy levels in both our retirement village (139 on Union) and our low-cost rental village (Stevenson Village). With an ageing population and Auckland's lack of affordable housing, we're actively looking at other options to develop more affordable housing for older people.

Gracedale Care, the Church of Christ founded care facility in Mt Roskill managed by HBH, also continues to meet a need in the community. We have had improved occupancy this year and are continuing to implement the Eden Alternative programme.

Statistics show that chronic isolation is as bad for your health as smoking, so this year we established Virtual Village East, with the aim of connecting older people for friendship and support. Our monthly 'coffee and catch-up'

mornings are well-attended and our inaugural Summer Series of activities and classes designed specifically for older people has proved to be very popular.

None of these life-enhancing services could operate without the skill and dedication of our staff and volunteers. Our volunteers bring life into our residential services and enable our Day Club and Virtual Village to thrive. We would like to thank all of our staff and volunteers for their invaluable contribution.

Sadly, this year one of our previous board members, Rev Andrew Norton, died. Andrew had served on the Board for many years, including as Deputy Chair, and will be fondly remembered for his strategic ability and 'outside the box' thinking. We will also farewell two board members at this year's AGM: our thanks to Dr Harley Aish and Dr Elizabeth Berryman for their significant contribution.

Stephen Parker, a member of the Glen Eden Baptist church, has now been appointed as Chair. Our thanks to Elizabeth Tremlett, who served as interim Chairperson this year while new board members were recruited.

As a Christian-based organisation, helping older people live life well, despite ill health and disability, is a key part of HBH's vision. We look forward to another year of supporting older people to live life to the fullest.



Stephen Parker
Chair



Bonnie Robinson
CEO

OUR BOARD AND MANAGEMENT TEAM

HBH Senior Living's board and management team comprises a mix of highly skilled and experienced people from the industry and our local community. Thank you for your commitment, knowledge and invaluable contribution to the successful running of our organisation.

Board Members

Stephen Parker

Chair
Retired Businessman

Bonnie Robinson

CEO
(ex officio to the board)

Harley Aish

Director
General Practitioner

Elizabeth Berryman

Director
Medical Doctor

Kate Donley

Director
Management Consultant

Winston Hema

Director
National Administrator, Baptist Union

Graeme Owen

Director
Business Consultant

Elizabeth Tremlett

Director
Chartered Accountant

Management and Clinical Leaders

Bonnie Robinson

Chief Executive Officer

Sachin Adkar

Accountant & IT Systems
Coordinator

Margot Andrew

Physiotherapist

Juliette Bell

Eden Coach

Jocelyn Bray

Communication and Marketing
Consultant – Inspiration Point

Chris Dunlop

NZRN, Director of Nursing

Hayden Martelli

HR Consultant – 360 Consult

Jenny Moore

Social Worker

Anjani Sharma

Manager Gracedale Care

Bruce Stevenson

Property and Tenancy Manager

Carol Turner

Occupational Therapist

Lee Warmington

PA to the CEO/Virtual Village
Coordinator

Kylie Windle

Projects Manager (contract)

OUR PHILOSOPHY OF CARE

To ensure our residents have the care and support they need to enjoy fullness of life, our philosophy is based on five pillars of care:

WE CARE about offering a faith-based community

Formerly known as Howick Baptist Healthcare, HBH retains strong links to the Baptist community and other churches. Motivated by the compassion, love and justice of Jesus Christ, our goal is provide compassionate, responsive services that improve quality of life.



WE CARE about excellence

Because HBH Senior Living is a not-for-profit organisation, we can put caring first, every day and in every way. We're known for excellence in care and are a registered provider of the Eden Alternative, a programme that puts the needs of older people at the centre of everything we do.



WE CARE about the little things ... and the big

When you're older or unwell, the little things can really matter. That's why our staff are trained to go the extra distance, and they do! Whether it's taking the time for a chat, or the high calibre of our staff, we aim to make a difference to the lives of older people.



WE CARE that our residents live life to the full

It matters to us that older people enjoy full and rewarding lives. We support seniors to be as active and independent as possible, with a range of services available at every level of care to help them make the most of life ... and ensure they feel right at home.



WE CARE about connecting you with the community

At HBH Senior Living, we pride ourselves on our friendly, lively and close-knit community. With a wide range of planned and spontaneous activities, as well as many wonderful volunteers, we do everything we can to keep our residents active, happy and connected.



OUR 2019 HIGHLIGHTS

From gaining the final two Eden Principles to launching Virtual Village East to the local community, 2019 has been a busy year! Here's a snapshot of just some of our many highlights and achievements this year – both within and beyond the walls of HBH Senior Living.

4

Years' certification awarded by Ministry of Health (the longest period that can be awarded)



7

Continuous Improvement awards by Ministry of Health recognising work that goes above and beyond



10

Eden Principles gained, which means HBH is now a fully registered Eden Alternative facility



95%

of relatives feel that HBH genuinely cares for their family member



94%

of residents in our hospital and rest home consider that our staff are responsive



200⁺

local seniors have signed up to Virtual Village East since we launched in 2018



55

Up to 55 people a day attend our much-loved Day Club for seniors in the community



192

staff did an outstanding job, working hard to deliver on our mantra to 'care in every little way'



130

generous volunteers helped out with a range of care services, outings and social activities



EXCELLENT CARE + HOLISTIC CARE – A WINNING COMBINATION

At HBH Senior Living, we pride ourselves on the quality of our ‘continuum of care’ and we’re pleased to report that this has been recognised this year, not only in external audits, but also by those that matter most to us ... our residents and their families.

While we have a long-standing reputation for delivering excellence in clinical care, in recent years, we’ve focused on complementing this with a more holistic approach to address a range of needs, bringing meaning, focus and fullness of life to our residents.

The Eden Alternative philosophy is instrumental in helping us achieve this goal, and we’re proud to have gained our final two principles this year. We are now a fully registered Eden Alternative facility, one of only two in Auckland - a major achievement which reflects our heartfelt commitment to putting our residents’ wellbeing at the centre of everything we do.

Residential care is highly regulated, and HBH is subject to an extensive external audit programme by the Ministry of Health. This year, we were once again awarded four years’ certification (the longest period that can be awarded) and received seven Continuous Improvement awards, recognising areas of our work in which we go well above and beyond. To achieve such a good result requires a total team effort!

Lastly, and importantly, we were recognised by the residents themselves. Our annual survey continues to show a very high level of satisfaction among residents and their relatives - demonstrating that we’re delivering on our mission to provide excellent, compassionate and responsive care, in every way.

Pets feel right at home at HBH too

When Sandy moved into the rest home at HBH Senior Living twelve months ago, one of the main attractions was that she could bring her beloved dog with her.

Suitable pets are welcome at HBH as part of our Eden Alternative philosophy of ensuring our rest home feels less ‘institutional’ and more like home.

“I’d had Piechi, a Chihuahua, for 13 years so it was unthinkable to leave her – she was like family to me,” says Sandy. Both Sandy and Piechi were settling in well to their new life at HBH, when, unfortunately, Piechi fell ill, and Sandy had to make the heart-breaking decision to have her put down.

Fortunately, Juliette Bell, our Eden Alternative coach, suggested Sandy trial one of her three chihuahuas, Coco. They got on famously so Juliette and Sandy “sealed the deal” and Coco now has the best of both worlds – two adoring



SANDY AND HER NEW COMPANION, COCO

mothers at HBH! “Coco keeps me busy and we enjoy the company of other residents here,” says Sandy. “Everyone loves to have a cuddle with Coco!”

2019 Highlights

Attained our final two Eden Alternative principles to become fully registered



Awarded four years' certification and seven Continuous Improvements from the Ministry of Health



91%

of families consider that their relative receives high quality of care



95%

of families feel that HBH staff genuinely care about their relative



94%

of families feel that staff are sensitive to their loved one's needs



94%

of residents feel safe and secure at HBH



EXTENDING OUR CARE TO THE WIDER COMMUNITY

A vital part of our philosophy at HBH Senior Living is to extend our services beyond our four walls to older people in the community. We continue to achieve this through our much-loved Day Club for seniors as well as a new initiative launched this year, Virtual Village East.

Our ever-popular Day Club continues to grow in response to high demand from the local community. Seniors are picked up or dropped off for a day of activity, companionship and stimulation, which includes a hot lunch. Up to 55 seniors a day can attend the programme, including those who are frail or have some cognitive decline.

This year, we also launched Virtual Village East, a virtual network of friendship and support for seniors in the East Auckland community. Founded on our five pillars of ageing well, Virtual Village East offers a range of services and activities that support all aspects of wellbeing for seniors. We've developed an extensive programme of classes and activities that specifically address these five pillars and all include one common aspect – connection.

Research has shown that boredom, isolation and loneliness are the 'three plagues' of old age, so the

ultimate aim is to create a 'virtual neighbourhood' just for seniors: a community of friendship and support that helps older people age well and gives them something to belong to.

Since launching, over 200 people have registered on our network list, and many members have attended a variety of activities, including classes such as cooking, computer and fitness lessons, as well as our regular 'coffee and catch-up' mornings.

Our CEO, Bonnie Robinson, recently attended the Village-to-Village conference in Chicago, which showed that Virtual Villages are fulfilling a real need for older people in communities – and highlighted the importance of creating opportunities for meaning and purpose as we age.

See: virtual-village-east.org.nz

Sheila's story: "I'm glad I belong"

"There are others like me who prefer to stay in our own homes rather than residing in a retirement village, but it's still important to feel a part of the community to avoid loneliness. The Virtual Village concept is different by offering not only interesting and informative meetings and ongoing support, but also smaller, more regular opportunities where friendships can develop. I'm glad I belong."

SHEILA HUGHES, VIRTUAL VILLAGE EAST MEMBER



2019 Highlights

Designed the '5 Pillars of Ageing Well', the philosophy behind Virtual Village East



Launched the Virtual Village East Summer Series - a range of classes and activities for seniors



Over 200 locals registered on the Virtual Village East network list



Plans in place to start formal membership and neighbour-to-neighbour services in 2020



Our Day Club helped up to 55 seniors a day enjoy companionship and connection



RESPONDING TO THE HOUSING NEEDS OF AN AGEING POPULATION

As well as our retirement village and rest home, HBH Senior Living also operates and manages Stevenson Village, which provides low-cost rental accommodation to older people in the East Auckland community.

Currently at full occupancy, these units mean that more affordable housing is accessible to older people who might otherwise be squeezed out of the private rental market. However, there are currently very few villages such as Stevenson Village available – and this problem is likely to escalate with an ageing population and the lack of housing in the Auckland market.



With the number of older people on moderate incomes, or reaching retirement without a mortgage free home, set to increase significantly over the next 15 years, HBH is actively pursuing options to develop more accessible and affordable housing for older people.

An ever-increasing need for affordable aged care:

- In New Zealand, home ownership has declined from 78% in the 1980s to 55% in 2013¹
- In Howick, there has been a 6% drop in home ownership between 2001 and 2013²
- Within the next 15 years, it's expected that Howick will need to house 16,000 more people aged 65+³

- Approximately 20% of Housing NZ's 69,000 state houses are tenanted to those aged 65+ and 50% are in Auckland⁴
- By 2025, 35,000 over 65s may need rental assistance⁵
- 12% of people aged 65+ are still paying a mortgage
- Currently 5% of 65+ renters need a government subsidy to pay their rent and this has grown by one third in the past five years⁷

📖 **The decline in home ownership rates has led researchers to suggest that within the next few decades, half the older people reaching retirement age will be renting. The affordability of Auckland for seniors renting, and financially vulnerable owner/occupier seniors will become a deeper issue as housing costs continue to rise.** 📖

Sources:

¹Statistics NZ, Housing in Auckland: Trends 1991 to 2013, p40

²Statistics NZ, Housing in Auckland: Trends 1991 – 2013, p66

³2013 census

⁴Statistics NZ, Housing in Auckland: Trends 1991 to 2013

⁵7The Salvation Army, Homeless Baby Boomers, December 2015

⁶<https://www.cffc.org.nz/reviews-and-reports/2019-review-ofretirement-income-policies/home-ownership/>

⁸Statistics NZ, Housing in Auckland, Trends 1911 – 2013. National Science Challenge, Ageing Well, June 2015, p19.

2019 Highlights

36 social housing units
managed by HBH at
Stevenson Village,
accommodating 39 residents



HBH is actively pursuing
options to address the
housing crisis among older
people in Auckland



Rosemary's story: "The need is so great among elderly."

When Rosemary and her husband immigrated to New Zealand from South Africa in 1998, they found themselves locked out of the Auckland housing market. After Rosemary's husband died in 2010, she struggled to make ends meet and didn't know where to go ... until she applied to Stevenson Village.

She has now lived at Stevenson Village for nine years and loves the tight-knit community and the sense of security. "I am so fortunate. I now belong to a lovely community where neighbours look out for each other. The need is so great among elderly people for places like this - I feel so sorry for older people who haven't been as lucky me."



2019 FINANCIAL REPORT

After a year of positive achievements in both our core business of providing high quality aged care to our residents and expansion into care services for the greater community, our financial position is also looking positive, in every way.

This year has been “business as usual” for the group. Revenue increased by \$421k to reach \$12.68m. Cost increases this year resulted in a reduced net surplus of \$392k (last year \$606k).

Around 80%-90% of the staff are on pay equity now and their pay rates are regulated by the government. In addition registered nurse salaries increased substantially nationwide which has increased our wage costs considerably. Most aged care facilities are struggling to match the pay rates offered by DHB's and are forced to fill in the nurses shifts on a day by day basis. The result of this for HBH has been a \$400k increase to our wage bill.

The ripple effect of wage increases throughout the sector has also increased the service delivery costs by \$40k. Other overhead and administrative costs increased by \$137k and the group has invested an additional \$58k on the Eden programme. This has led to an overall increase in total expenses of \$635k to \$12.29m.

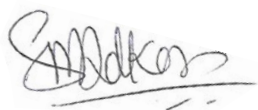
HBH's retirement village sector continues to do well, hence our independent living units recovered all their operating costs and generated a cash surplus for the group.

We continue to offer low cost rental housing units for older people at Stevenson Village. These rental units are aimed at tenants who can not afford to pay market rental rates. Rent is set at approximately 80% of the lowest quartile of the market rate. The operational costs of the Village are fully recovered by the rental income, however HBH supports the Village to service its loan.

Despite the challenges mentioned above and the reduction in our surplus, our financial position remains solid with net assets of \$33.52m (last year \$29.5m). The increase over last year is due mainly to revaluation of the buildings. Surplus funds are used to reduce the loan taken from BNZ to acquire Stevenson Village Limited.

Again a big thanks to you, our loyal supporters, for continuing to support our work, and helping us to make a difference to the lives of those we serve.

Please refer to the financial summaries and the Auditors report on the next five pages for further information. The full financial statements, audited by Crowe Horwath New Zealand Audit Partnership, are available on request by writing to: The Finance Manager, Howick Baptist Healthcare Ltd, PO Box 38093, Howick, Manukau 2145.



Sachin Adkar
Accountant & IT Systems Coordinator

FINANCIALS

STATEMENT OF CONSOLIDATED COMPREHENSIVE REVENUE AND EXPENSE

FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
Revenue		
Rendering of services	12,175,734	11,579,016
Rental Income	499,741	459,026
Finance Income	5,156	4,718
Operating Grants and Donations	618	219,976
Other Income	2,207	0
Total Income	12,683,456	12,262,736
Less Expenses		
Salaries, Wages and other employee costs	7,476,736	7,076,628
Service delivery costs	1,306,384	1,264,887
Depreciation	1,419,028	1,411,586
Audit Fees	29,177	25,645
Other overhead and administrative expenses	1,637,496	1,399,250
Finance costs	423,040	478,564
Cost of Providing Services	12,291,861	11,656,560
Total Surplus for the Year	391,595	606,176

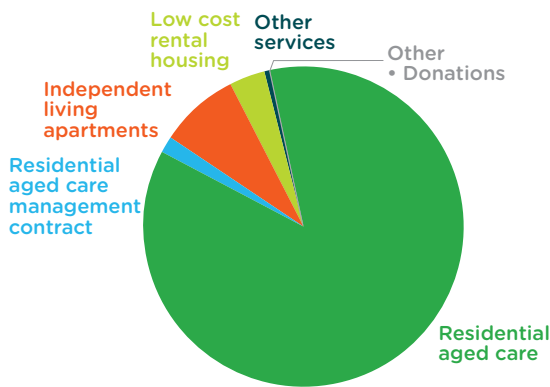
STATEMENT OF CONSOLIDATED FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2019

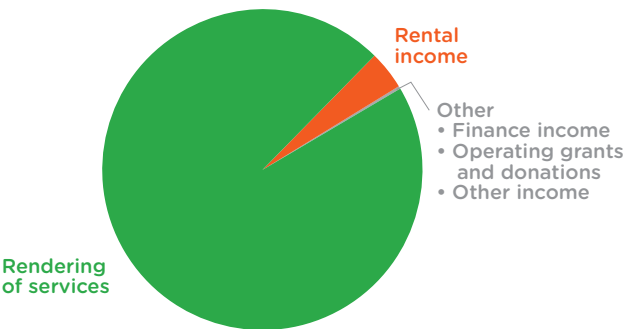
	2019 \$	2018 \$
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	57,630,568	53,148,133
Total Non-Current Assets	57,630,568	53,148,133
Current Assets		
Cash and Cash Equivalent	70,630	149,125
Receivables from Exchange Transactions	1,059,354	876,431
Prepayments	83,859	162,085
Total Current Assets	1,213,843	1,187,641
TOTAL ASSETS	58,844,411	54,335,774
LIABILITIES		
Non-Current Liabilities		
Loans and borrowings	8,402,908	6,902,674
Provisions	801,717	831,784
Other non-current financial liabilities	13,385,818	13,544,874
Total Non-Current Liabilities	22,590,443	21,279,332
Current Liabilities		
Payables from Exchange Transactions	945,977	908,315
Employee entitlements	524,225	559,342
Loans and borrowings	400,000	1,400,000
Other current financial liabilities	851,250	670,150
Total Current Liabilities	2,721,452	3,537,807
TOTAL LIABILITIES	25,311,895	24,817,139
TOTAL NET ASSETS	33,532,516	29,518,635
EQUITY		
Share Capital	10,500,000	10,500,000
Accumulated Funds	6,051,014	5,659,419
Asset revaluation reserves	16,981,502	13,359,216
TOTAL EQUITY	33,532,516	29,518,635

FINANCIAL SUMMARY

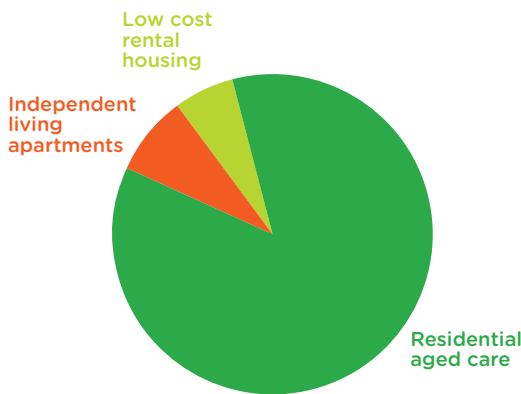
Income Centres



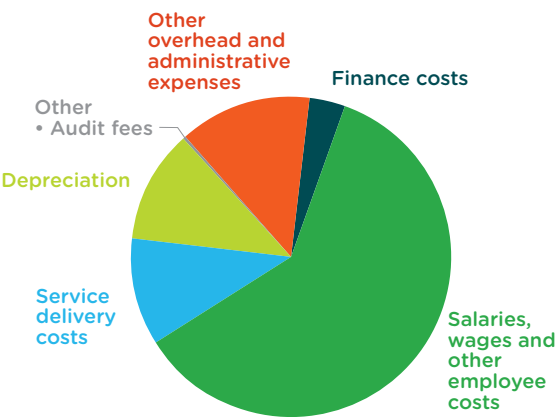
Sources of Income



Cost Centres



Use of Funds



INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Howick Baptist Healthcare Limited and its subsidiaries ('the Group') on pages 2 to 25, which comprise the consolidated and separate statements of financial position as at 30 June 2019, and the consolidated and separate statements of comprehensive revenue and expenses, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Howick Baptist Healthcare Limited and Group as at 30 June 2019, and their financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for Opinion

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

Other than in our capacity as auditor we have no relationship with, or interests in, the Company or its subsidiaries.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible on behalf of Howick Baptist Healthcare Limited and Group for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Crowe Horwath New Zealand Audit Partnership
CHARTERED ACCOUNTANTS

Dated at Auckland this 13th day of November 2019

In every little way ... WE CARE

“HBH is like one big family – it is a lovely community.”



“I have been in a few places and HBH is my favourite. I would definitely recommend it.”



“Staff are patient and caring with a lovely sense of humour. HBH has a wonderful atmosphere.”



“I feel very much at home here and well looked after.”





"I love that there are pets around to make the place feel more homely, that's fantastic."



"We can walk in and know that Dad is well cared for. All the staff do a great job."



"The staff are caring and dedicated. We are made to feel welcome whenever we visit."




"It has given us great peace of mind to know that mum is so well cared for."



 09 538 0800

 enquiries@hbh.org.nz

 hbh.org.nz

 139 Union Road, Howick, Auckland 2014



A member of the Retirement Village Association of NZ

Howick Baptist Healthcare Limited (CC20592) is a registered charity under the Charities Act 2005.

