



ALLAMBIE HEIGHTS *Village*

Retirement Village & Aged Care Facility



2014 - 2015 Annual Report



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Report of the President



It is with pleasure that I report on another positive year for Allambie Heights Village Ltd. We are an innovative Company and have continued to introduce new improvements and initiatives in several areas. These have occurred in the field of nursing care of our residents thanks to the valuable and forward thinking input of the Director of Care, Lindsay Hatt.

New management systems are implemented by the team on an ongoing basis. These are led by the Chief Executive Officer, Ciarán Foley. I take this opportunity to express the Board's acknowledgement and gratitude for the tireless excellent professionalism displayed by Ciarán on a daily basis.

These things do not happen easily, but only with input of a number of team players. During the past year, we achieved full occupancy of the Village and Aged Care Facility. A rapid turn around in the refurbishment of vacated apartments has been achieved. For these achievements, I acknowledge the tireless work of the Retirement Living Manager, Patricia Cearnés.

We are still in demand for placements in the Aged Care Facility and Village, a reflection of the management team's attention to detail and staffs' caring philosophy towards our residents.

Our staff retention is most pleasing with a number of staff completing ten years' service, a situation not always achieved in this industry. Our record of workplace, health and safety remains excellent. The Company's reward and recognition policy motivates people to achieve more and maintain job satisfaction. Promotion is merit based.

Allambie Heights Village Ltd. underwent the mandatory three-year re-application for a licence to operate our residential aged care facility and accreditation audit on 14 & 15 July 2015. This process requires intensive preparation and staff presentation to fulfil the necessary criteria. I complement all staff members for their excellent input in the very detailed examination of all aspects of the Facility. The feedback from the auditors was positive and I am sure that we can all be proud of the outcome.

A new entertainment centre has been created in the Community Hall which will benefit residents and there are many other developments that have been achieved throughout the year about which we are proud and which add value to our community.

It is envisaged that a series of lectures on topics of value to residents and the Company's Members will be held in the future delivered by experts in their particular fields.

Another milestone for us and for one for our longest residents was the celebration of the 100th birthday of Helene Sonntag, a lady with a very colourful and internationally diverse life, congratulations from us all. Other residents have achieved a century of life whilst within our community and we compliment each one for such an achievement.



The Board continues to meet on a monthly basis with an Investment sub-committee meeting held quarterly. This sub-committee meets to exercise due diligence over the Company's investments managed by our professional external investment advisors. Our financial position remains strong and solid despite the current market fluctuations.

I would like to acknowledge the Treasurer of the Board, Gerd Wilmer who has now served on the Board for 10 years. I thank him for his ongoing valued performance in this role.

Nicolas Perrin, Board Director resigned this year in order to return with his family to Switzerland. His contribution to Allambie Heights Village Ltd. is appreciated.

A new Director was appointed last year, Ben Bowley. Following an illustrious career with Apple Computer, Australia, he founded and managed successful Companies of his own including amongst others Australia by Air. Ben is by his own admission a "driven and entrepreneurial businessman". The Board is very fortunate to have his expertise and business acumen.

My thanks to the Residents Committee for their ongoing role and contribution to Village life.

To the increasing number of volunteers, the Board expresses its appreciation for all that you do to assist our residents.

To those people who made Allambie Heights Village their new address during the past year, I extend a very warm welcome. To those who have departed the aged care facility and village this year, we wish them well and share the families sorrow for those who have passed away.

The residents are our most valuable asset. If you are positive and happy, those who join us in the future will find this attitude contagious.

The Board's objective for the coming year is to continue to optimistically plan for the future of Allambie Heights Village Ltd. and to accommodate the changing environments of residential aged care and retirement village life.

Wise people learn not to dread the future but to welcome it. We will bear in mind that good to great comes about by a step-by-step cumulative process and we will continue to maintain the view that our Company is our people.

Wendy Kramer
President
Board of Directors





Report of the Chief Executive Officer



I am pleased to report that financial year 2014-2015 represented another productive and successful year for our Company.

The Australian Aged Care Quality Agency following an intensive two day audit, provided a licence to permit our operating the residential aged care facility for a further three years (the maximum period granted) until 2018.

The NSW Food Safety Authority awarded us and our catering service an A Classification for the sixth year in a row. Our successful engagement with Catering Industries Pty. Ltd. since 2007 ensures that our residents and visitors receive excellent dining with emphasis on taste, diversity, choice, presentation, service and high nutritional value.

During the year, approximately 80,000 meals were prepared. We are seeing increased demand from our retirement village residents and increased usage of the Village Dining Room which we built to meet the changing needs of residents who want to remain living at home but benefit from the availability of affordable and excellent meals prepared freshly on a daily basis by our Chefs.

As at the end of the financial year, 30 June 2015, both our residential aged care facility and our retirement village had an occupancy of 100%. Our reputation for providing quality care and accommodation in both segments of our operations, residential aged care facility and retirement village is firmly established locally, across the State and across Australia with representation of residents from all States currently except Western Australia and Northern Territory. We have even experienced a resident moving from the United Kingdom to our retirement village as her preferred choice of location to call home.

Our increased numbers of residents whose identity is Australian is matched by the cultural diversity of residents from Argentina, China, England, Estonia, Germany, Greece, Holland, Ireland, Israel, Italy, Kenya, Portugal, Romania, Russia, Scotland, Switzerland and Wales. Next to Australians, our largest culturally diverse groups in our residential aged care facility are Germans, Dutch, English and Greek. Our village and aged care facility are truly international. In relation to religious congregations, we currently provide Lutheran and Anglican Service and Catholic Mass. How well we have adapted to changing demands over the years!

Age profiling and analysis of our residents assists us understand and plan for the changing needs of residents. Within our residential aged care facility, our youngest resident is 78 years, our oldest 101 years with an average age of 88 years. 44% of our residents are aged over 90 years. This represents the consequences of Government policy to keep people in their own home for longer than was previously the experience and the subsequent result that people are coming to us older and often requiring higher levels of care and support. This dynamic is reflected also in our revenue: expense comparison with last financial year with higher revenue this year but also higher levels of expenses due to the higher dependency levels of our recent residents.



In our retirement village which is regulated by 'Over 55s' legislation, our youngest resident is 58 years, our oldest 100 years with an average age of 79 years (which is below the national average of 81 years). 44% of our residents are aged between 80-100 years.

I believe that this last statistic is most relevant and we are aware that the needs of this group of residents requires for services to be adaptable to changing needs. Our creative and innovative responses to such needs have already resulted in tray service to residents when ill and unable to attend lunch in our dining rooms. We have provided a Meals Package when residents no longer wish to cook but can continue to live at home. We have built a new Dining Room for our village residents and guests. We provide a nursing clinic on a user pay basis. We provide respite care to village residents on a planned basis and in some emergency situations when respite is available in our residential aged care facility. We foster excellent relationships with a large number of general practitioners, allied health professionals and home care providers which benefits village residents. And we will continue to plan to assist and support our village residents as needs change where we are able to.

We provide affordable accommodation with our village apartments priced or discounted at 40%-55% compared with accommodation in the open market. This represents excellent value and a real alternative to Over 55s.

Our Accommodation Payment for our residential aged care facility, \$550,000 as at 30 June 2015 is well positioned compared with our competitors and we have some of the largest rooms available to residents, averaging 34 square metres with en-suite bathroom, many with kitchenettes, balcony or patio.

Our staff retention is again a considerable strength which represents longevity as well as other important factors such as consistency and knowledge which reassures residents and their families and provides a competitive edge when compared with other operators. Staff training, upskilling, promotion opportunities and payments above Industry Award rates have all been important factors to demonstrate our appreciation and value of our staff team.

Maximising our revenue by ensuring that we are being adequately compensated by Government through ACFI Medicare claims and payments remains an essential exercise and has ensured steady and improved revenue performance during the past year amounting to \$1.31 million.

Our investment in improving our properties and grounds is essential to our remaining a strong choice for new potential residents and for offering continued value and appreciation to our existing residents who are our greatest ambassadors. Renovation of apartments is averaging \$35,000 per apartment.





Protecting our residents' deposits is a responsible focus of our Investment Strategy. The interest earned from term deposits and dividends as well as capital growth form important revenue streams from our investment portfolio. Global markets continue to be immensely volatile and it has been increasingly difficult to achieve even moderate term deposit rates. My appreciation to our Investment sub-committee and to our professional investment advisors.

We are reporting for Financial Year 2014-2015, a Net Profit of \$1.55 million, a 13% increase on last year and a record level of Equity, \$8.4 million, an increase of 23% on last year. Our Operational Profit of \$1.40 million is particularly pleasing.

We are busily working to identify opportunities to grow our Company through potential acquisition of existing retirement villages and residential aged care facilities requiring investment, development and we are interested in green field sites where we can plan and build services to meet the future wishes and needs of our future customers.

I express my thanks to our Members and I look forward to seeing you at our AGM 2015 and at our planned seminars and events during 2015-2016 about which we will keep you informed.

To the Directors of our Board to whom I report monthly on all aspects of the Company, its operations, finances and plans, all whom are

volunteers, sincere thanks for your knowledge, advice and commitment. To the President, with whom I have an excellent working relationship, my thanks Wendy for your unwavering support and leadership. The relationship between a President/Chairperson of a Board with its Chief Executive Officer has to work for so many reasons in order for a Company to be successful and I can report to all that it does indeed work. Thank you Wendy.

To Lindsey Hatt, Director of Care; Patricia Cearnese, Retirement Living Manager; Eddie Youil, Accounts Manager; Management and Supervisory Staff and to all Staff, my thanks and appreciation. I am proud to be part of such an effective, professional and ethical team of people.

Thank you to our Volunteers, Contractors and Families of our Residents for your support and confidence in working with us.

And most importantly, to all our Residents, thank you for choosing to live in our community of Allambie Heights Village. You are the only reason that we are here. We appreciate and value you and I look forward along with my team of staff, contractors and volunteers to our continued relationship.

Ciarán Foley
Chief Executive Officer





Report of the Treasurer



It is with great pleasure that I present the Annual Report for the year ended 30 June 2015 for Allambie Heights Village Ltd.

I can report an improvement in the financial results in this financial year from a Net Profit in the previous year of \$1,379,494 to \$1,555,760 this year, an increase of 13%, an outstanding result.

I would also like to point out the following highlights in the Annual Financial Report:

- Total revenues increased by \$389,298 from \$4,223,123 to \$4,612,421, a 9.2% increase.



- Increase in revenues was derived from a consistent exercise during 2015 to maximise ACFI (Medicare Payments) government funding for residents of our residential aged care facility, maximising occupancy in our residential aged care facility and retirement

village (both full as at 30 June 2015) and from investment income which is a key part of our funding mix. We expect more revenue uplift next year with higher dependant residents. Our Operating Costs increased by 7.5% compared with last year due to higher expenses associated with higher dependent residents. This reflects the changing nature of Aged Care.

- The optimising of ACFI Medicare Payments resulted in an increase in ACFI Revenue by 32.7%, \$1,309,660 compared with previous year \$987,212.



- Investment revenue has increased from \$932,420 in FY 2014 to \$1,215,598 in FY 2015. This represents an approximate 7% return on the average invested funds (combined Investments and Term Deposit returns) over the period compared with 6% previous year. The return on Term Deposits was lower than the previous year which affected the overall Revenue. Rates received varied from 3.5% to 3.0%.
- Our Managed Asset Portfolios performed well with an average of 10% return on investments in spite of market volatility which was most noticeable in June 2015. Protecting Capital continued to be a requirement during 2015. The Board continues to monitor the performance of the investment portfolio which is managed by our financial advisers to decrease risk and to increase performance.





- Operational Revenue amounted to \$3,396,914 and Investment Income amounted to \$1,215,598 which consists of Interest/Dividends on Investments of \$330,910, Capital Growth on Investments \$536,472 and Interest on Term Deposits and other Cash \$348,216. This demonstrates that we have a positive income stream from Operations and do not rely on Investment Income for the day to day operation of the residential aged care facility or retirement village.



- Our term deposit strategy while not performing as well as previous year due to lower interest rates, has worked well in the current market with competitive rates achieved. Our term deposits held in 2015 are \$9,932,740 compared with previous year of \$9,224,933 an increase of 7.6%.



- Managed Assets held in our Managed Assets Portfolio in 2015 totalled \$8,396,745 compared with previous year of \$6,586,528 which is an increase of 27.5%.



- Assets have increased by \$2,602,749 and now total \$36,255,114 compared with previous year \$33,652,365 an increase of 7.7%.



- Liabilities have grown by \$1,046,989 and now total \$27,895,890 compared with previous year of \$26,848,901. This is represented by growth in our Resident deposits (Accommodation Payments & Entry Contributions).



- The Statement of Financial Position (Balance Sheet) indicates that the Total Equity of the Company is \$8,359,224 up from \$6,803,464, an increase of 23%.



- We are very liquid, solvent and debt-free.

I would like to express my appreciation to Ciarán Foley, Chief Executive Officer and to his management team and staff for the financial growth and development of our Company.

I thank my fellow Directors and Ciarán who are on the Investment sub-committee as well as our Investment Advisors, Evans & Partners and Morgan Stanley.

Overall I can report that the Company has had another excellent result for the 2015 Financial Year and is in a strong financial position going forward.

Gerd Wilmer
Treasurer

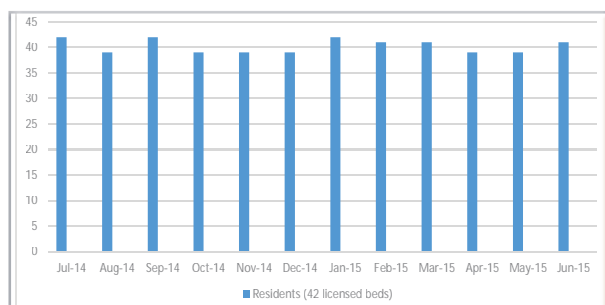


Report of the Director of Care



The Residential Aged Care Facility has had a very busy and productive year providing care to the many residents requiring us to meet their more complex needs on a daily basis. We generally have full occupancy with a healthy waiting list for placements from within the village and the local community. We show on average 2-3 people around our facility every week and most referrals are by word of mouth from family members/visitors, medical staff and other external services.

Residential Aged Care Facility
Occupancy 2014/15



Accreditation

During the month of July 2015 we had our full 3 year Accreditation audit from the Australian Aged Care Quality Agency. The self- assessment report

alone numbered 65 pages in total and almost 17,000 words. The range of documentation required and made available for examination to the Auditors is incalculable. This is an audit performed by two assessors who spend two full days with us to assess our compliance with meeting all 44 outcomes from the 4 standards which are:

1. Management Systems, organisational development and staffing
2. Health and personal care
3. Resident lifestyle
4. Physical environment and safe systems

We of course met all the 44 outcomes and it was a very smooth auditing process, a time for us to showcase the great work that our team perform on a daily basis.

Staffing

As well as our Management, reception and accounts team we currently have 3 registered nurses (including the Director of Care), 3 team leaders, 23 care staff, 4 housekeeping staff, 1 recreational activities and volunteer coordinator and 3 maintenance staff (who provide services also to the retirement village). In addition, our catering staff, gardeners, physiotherapist, podiatrist, medical staff and our wonderful volunteers make up our great team at Allambie Heights Village. Staff retention is excellent and we have just celebrated our 7th member of staff reaching their 10 year anniversary of working at our facility.

Continuous Improvements

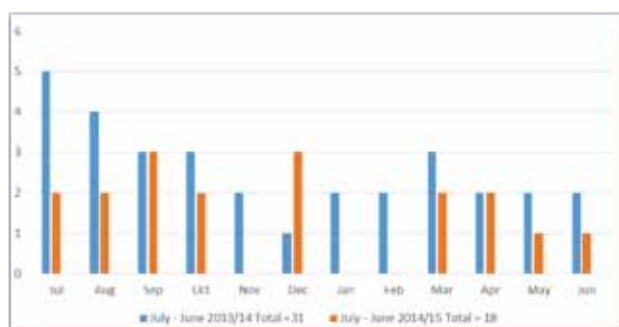
Some of the highlights of our Continuous Improvements within the facility this year have been:

- Renovation of offices and creation of a large staff station to improve staff working environment
- Updating First Aid training for all staff
- Purchase of new NIKI T34 syringe driver to assist with palliative care
- Purchase of 2 alternating air mattresses to maintain resident skin integrity



- Increase in Registered Nurse hours to include Saturday and Sundays
- Increase in Team Leader/care staff hours to improve communication and continuity of care
- Implementation of new computerised medication administration system
- Laundry area renovated and new clothes dryer purchased
- Brushwood fencing installed around Acacia (our dementia service) garden area for resident privacy
- Recruitment of Housekeeping team of 4 people to manage laundry and cleaning services within the facility
- Sourced visiting dental service to provide optimum dental treatment/hygiene
- Replacement mattress program for added resident comfort
- Existing resident lounge area in Darwinia renovated with installation of fireplace, new furniture, soft furnishings and lighting to provide homely environment
- Our skilled and consistent staff team have worked to minimise resident hospital admissions resulting in 18 admissions for 2014/2015 compared with 31 hospital admissions in 2013/2014

Residential Aged Care Facility
Hospital Admissions



Allied Health Professional Services

We are providing 312 hours of physiotherapy per year to our residents which includes regular exercise classes and also one on one treatments/assessments. In addition, regular walking/exercise of residents is performed by our care staff on a daily basis. We have regular podiatry visits with residents being treated every 6 weeks throughout the year. Dental assessment and denture technicians are also available for residents needing them. Individual speech & swallowing assessments are performed as required.

Aged Care Funding Instrument (ACFI)

Residential Aged Care Facility
Funding 2014/15



On average we perform and submit almost 2 ACFI assessments to Medicare each month. This enables us to attract the relevant funding for the level of care we provide to our residents. Most ACFI assessments take around 2 weeks to complete before submission so this is a continuous ongoing process but imperative to the financial sustainability of the facility.

Lindsey Hatt
Director of Care



Report of the Retirement Living Manager



Residential Aged Care Facility

Changed regulations for the Residential Aged Care Facility came into force on 1 July, 2014. A very busy time in preparation for the changes had taken place during the months leading up to this date. The reforms aim to provide greater transparency around the costs of Aged Care, while allowing for residents and clients with sufficient means to contribute more to their care.

Whilst Allambie Heights Village Ltd. has always published information on accommodation prices and costs for our Residential Aged Care Facility, it is now mandatory for all providers to share this information on their own website and the government website, 'My Aged Care'.

In addition, new means testing arrangements have been introduced in residential aged care and home care, with capped annual contributions and lifetime maximum client contributions in place.

These reforms have made the aged care sector more attractive to private financing and we are seeing an increase in the number of publicly listed Companies that focus on aged care. Companies

such as Allambie Heights Village Ltd. rely on retained earnings and bank debt for development capital, publicly listed companies are able to raise equity for expansion. A consequence of this will be that the proportion of aged care places provided by the not-for-profit sector will fall. Today about 60% of aged care providers are from the church, charitable and not-for-profit sectors but within a decade it could be closer to 30%.

Historically, many charities have demonstrated that they are committed to providing aged care for the long haul. They are the ones that have cared for the people who are often seen as 'difficult' or having 'challenging behaviours'. The not-for-profit sector offer years of experience in aged care and I believe it would be detrimental to society to see this sector diminish. It is incredibly important that this sector and its providers excel in providing high quality care and are businesslike in order to be sustainable.

During the 2014/2015 financial year we had 6 new permanent admissions to our residential aged care facility consisting of 42 'licensed beds'. We are proud that unlike many of our competitors, we have always provided residents with single rooms. Accommodation Payments totalled \$3,350,000. In accordance with the July 2014 regulations there are no retentions drawn down on this amount and the full Accommodation Payment is refundable. Respite care has also been provided throughout the year to 14 residents which included care to our village residents.

Retirement Village

It has been another successful year in our retirement village with all 58 apartments occupied at the end of the financial year. We have completed 8 renovations throughout the year with properties marketed and occupied efficiently. The properties cost an average of \$35,000 each for a full renovation including a new kitchen and bathroom. Entry Contributions for 6 of the properties amounted to \$2,400,000, an average of \$400,000 per property. 11% of our apartments are currently rented.



Our beautifully designed Village Dining Room invites residents to enjoy a home cooked 3 course lunch, 7 days a week at very affordable prices with a mid-week special 'Roast of the Day' and monthly themed lunches.

Our Village Bus has covered many kilometres throughout the year at the capable hands of our volunteer drivers. Residents have enjoyed many social bus outings including trips to the Art Gallery to view the Archibald Prize Exhibition, Shen Yun Theatre Performance, Christmas Lights Tour and Vivid as well as social lunches to The Entrance, Palm Beach, Akuna Bay and Terry Hills Flower Market.

This year a Residents Social Committee was formed and new activities have been introduced to offer variety and enhance our existing recreation and social activity program. Activities include: happy hours; Sunday BBQs; walking group; art group and movie nights.

We continue to improve the presentation of the village and the landscaped gardens are a unique feature. External painting, maintenance and preventative maintenance is continuous throughout the year. Annual WH&S audits are performed each year with outcomes completed in an efficient manner.

We have a wonderful mix of residents complementing each other and bringing value to the village. Aged between 58 and 100, with an average age of 79. Many of our Village residents volunteer in the Residential Aged Care Facility and contribute to the Retirement Village sharing their skills and experience with others. We had the good fortune of Celebrating the 100th Birthday of one of our Village residents this year with a High Tea which was held in our Village Dining Room, a wonderful afternoon with over 60 people enjoying the event.

We continually strive to improve the village and this year is no exception with the addition of a BBQ area, new Community Hall furnishings, plants & shrubs and an Entertainment Cinema with a large screen and surround sound.

We remain extremely competitive and continue to be sought after as a clear choice option to people who live both locally and beyond who wish to be cared for in our Residential Aged Care Facility and accommodated within our Independent Living Retirement Village situated on the beautiful Northern Beaches.

Patricia Cearnese
Retirement Living Manager



100th Birthday Celebrations



Report of the Recreational Activities and Volunteer Co-ordinator



Over the past year, we have increased our number of daily activities in our Residential Aged Care Facility and have also seen our number of regular volunteers increase. We now have a total of 22 volunteers who assist with our recreational activities program on a regular basis providing approximately 1,100 hours of volunteering annually.

We are providing 18 activities on a weekly basis which includes 2 bus outings and an array of interesting and stimulating sessions which include: Trivia, carpet bowling, group exercises with our physiotherapist, movie nights, reminiscence, bingo, painting, baking, computers, happy hours, knitting, craft & card making and pet therapy. We have regular Lutheran, Anglican services and Catholic mass. Approximately 1,500 hours of activities are offered to our residents annually. In addition, we arranged 15 concert and entertainment events where performing artists, musical groups and singers came to our residents to entertain them.

Our sincere thanks to Krissy's Feathered Friends, Loosely Woven, Happy Wanderers, Kindi Farm, Belrose Public School Children's Choirs, Allambie Heights Public School Children's Choirs, Cantiamo Choir, That Couple, Phil Allen with his Handbells

Concert and the Year 6 students and parents of Balgowlah North Public School who brought their puppies and dogs to visit our residents.



Bus outings have included visits to Centennial Park, La Perouse, Sydney Olympic Park, Cottage Point, Apple Tree Bay, Bobbin Head, West Head, Palm Beach, North Head, Vacluse and Sans Souci. Picnic outings have involved visits to Sutherland Shire and George's River where residents thoroughly enjoyed the wildlife and the water views.

The benefits of involvement by our residents in regular activities include, social interaction, physical and mental stimulation, enjoyment, improved health and well-being.



We thank all of our volunteers for their commitment and selfless giving of their time, skills and knowledge to our residents.

Virginia Stapleton
Recreational Activities and
Volunteer Coordinator



Reception, Housekeeping, Maintenance and Catering Services

Reception Team



Leesa Howell



Christina Hoffman

The first point of contact a person has with our Company is normally through our friendly Reception staff, Christina and Leesa. They are also involved in a range of other tasks including invoicing and payments. They are involved in receiving approximately 7,800 phone calls and 2,600 direct contacts annually with residents, visitors, contractors and with people making enquiries about our residential aged care facility and retirement village. Approximately 1,200 payments and invoices are processed annually. Village residents are reassured from the services and sensitive contact that Christina and Leesa provide and they contribute massively to our success at great customer service and satisfaction.

Housekeeping Team



**Wanda
Zarina
Lillian**

The housekeeping team provided on average 3,300 hours of cleaning and 1,300 hours of laundry service during the year. We have installed a labelling machine to provide labelling of residents clothing to ensure identification and return of clothing items in a timely fashion. We can be very proud when showing visitors around our facility of the excellent standards of cleanliness within the facility and this is often remarked on by visitors and residents alike.

Maintenance Team



Tony Pecar, Rob Watt



Dennis Caldwell

The Maintenance team provided over 2,000 hours of maintenance, preventative maintenance, waste management and other duties to residents and to staff throughout the year. This consisted of approximately 800 direct contacts with residents in relation to specific maintenance requests in a village apartment or aged care facility room. There were many other additional tasks completed that were maintenance or management initiated or involved assisting and liaising with contractors. We are proud of the responsiveness of the team to all requests, to high standards and to excellent customer service which is most important.

Catering Services

Catering Industries Pty. Ltd. who provide our catering service to our residential aged care facility and retirement village residents gained an A rating from NSW Food Safety Authority in 2015 for the 6th year. They provide around 80,000 meals per year to our residents' changing dietary needs, to our village residents and to our visitors. All menus are reviewed by Catering Industries consultant dietician on a regular basis to ensure their nutritional value.



Catering Industries

AUSTRALIAN OWNED TO SERVE AUSTRALIA



Annual Financial Report

Directors Report

Your Directors present their report on the Company for the year ended 30 June 2015.

Directors

The names of the Directors of the Company in office at any time during or since the end of the year are:

Ms Wendy Kramer

President, Public Officer and Director

Bachelor of Medical Science, University of Melbourne. Appointed President of the Board in 2009, Director since 2007 and current Member of the Investment sub-committee. Previously served on the Board of SCEGGS Redlands School for 17 years (resigned 2006). Working career covered 40 years in public and private health sectors as Director of Radiotherapy Services and as associate lecturer at University of Sydney. Regional and Commercial Operations Manager for Medical Imaging Australasia (MIA) Corporation. Retired.

Mr Wolfgang Müller

Vice-President and Director

Bachelor of Communications, University of Cologne. Director and Member of the Board since 2005 and current Member of the Investment sub-committee. Founder and owner of Media Advantage Production Company. Former Senior Journalist with SBS TV News. Current Producer with SBS. Member of the Foreign Correspondents' Association of Australia and the South Pacific.

Mr Gerd Wilmer

Treasurer and Director

Bachelor of Arts, University of New England. Director and Member of the Board since 2005. Current Chairperson of the Investment sub-committee. Director of Elzson Pty Ltd since 1978 and Naveco P/L since 1993.

Mr Wolfgang Mitterhuemer

Director

Qualified Engineer. Director and Member of the Board since 2007 and current Member of the

Investment sub-committee. Former owner of risk assessment business. Current owner of a textile printing Company involved in international trading.

Mr Ben Bowley:

Director

Director and Member of the Board since 2014. Managing Director of Today's Plan, an Australian sports technology business. Working career has been spent with global technology firms. These roles and Companies have included: Managing Director, Apple Australia/New Zealand; Managing Director & President, Raymarine Asia and Director of Business Systems, Panasonic.

Mr Nicolas Perren

Director (Resigned during 2015)

Master in Architecture, Swiss Polytechnic Institute ETH, Zurich. Director and Member of the Board since 2011. Over 20 years industry experience in Australia, Germany, Switzerland and the United States. Qualifications in Property Finance & Development and Sustainable Design. Managing Director and founder of TEKUM Future Housing Solutions.

Principal Activities

Allambie Heights Village Ltd. is a not-for-profit Company Limited by Guarantee providing quality accommodation and care in a Retirement Village and Residential Aged Care Facility. The Company has been firmly established in the community of Allambie Heights on Sydney's Northern Beaches since opening the Retirement Village in 1966 and the Residential Aged Care Facility in 1996.

Allambie Heights Village Ltd., a public benevolent institution was endorsed by the Australian Taxation Office (ATO) to access the following tax concessions:

- Income tax exemption
- GST concessions
- FBT concessions
- Deductible gift recipient



The Company's endorsement to access charity concessions, together with the date or period of effect, has been entered in the public register maintained by the Australian Business Registrar at www.abn.business.gov.au.

Mission Statement

The Company's mission statement is "to exercise the best possible duty of care, providing safe accommodation and facilities for residents cognizant of their health needs and rights, irrespective of sex, creed, colour, race or nationality".

The Company's Objectives are:

- To provide quality accommodation to persons over 55 years within the retirement village in accordance with the Retirement Villages Act 1999 No 81 and the Retirement Villages Regulations 2009 and as regulated by the New South Wales Office of Fair Trading.
- To provide quality respite and permanent care and accommodation to older persons and to persons with dementia within the accredited residential aged care facility in accordance with the Aged Care Act 1997 and as regulated by the Commonwealth Department of Social Services and the Australian Aged Care Quality Agency.

To achieve these objectives, the Company implements the following strategies:

- Maximisation of occupancy within the residential aged care facility (42 rooms/42 bed licences);
- Maximisation of occupancy within the retirement village (58 independent living units);
- Achievement of all of the Australian Aged Care Quality Agency's 44 Outcomes for the residential aged care facility which is audited twice annually. We applied for re-accreditation during 2015 and successfully received a Certificate of Accreditation for a further 3 year period (the maximum period permitted) until September 2018;

- Maximisation of accommodation payments for the residential aged care facility;
- Maintenance of our excellent record of staff retention, staff training/development, staff remuneration and conditions. We have established ourselves as a workplace of choice and we continue to receive regular expressions of interest from people wishing to work with us. An increasing number of our staff have achieved 10 years service;
- During 2014-2015, staff hours, staff and management positions were increased to respond to the changing needs of our residents;
- Supporting our volunteers who enrich the lives of our residents and support the services that we provide;
- Assessment of the needs of all aged care residents so as to make accurate application for government payments within the Aged Care Funding Instrument (ACFI) so as to maximize our income streams;
- The active promotion and marketing of our services so that we can plan appropriately with prospective residents and families when wishing and needing to move to our residential aged care facility and retirement village. This ensures that we plan pro-actively for future income opportunities;
- Adding value to our vacant independent living units thereby increasing the entry contributions (apartment prices) that we can charge and sustaining the short and long term viability of the Company;
- Managing costs efficiently and effectively through an adherence at all levels of line management to budgetary cost controls;
- Negotiating best value from our contractors;
- Collaborating and networking with other providers so as to exchange experience and ideas that benefit our services and our industry;
- We completed a building extension during 2012 achieving 4 additional bedrooms in



our residential aged care facility thereby maximizing the use of our 42 bed licences. We provided a dining room for use by our retirement village residents and visitors and we built a new library and internet suite. In 2014, we renovated lounge and activity areas for residents of the residential aged care facility as well as staff operational areas by creating a new staff station and renovating our laundry. We created a BBQ area in the retirement village, installed an entertainment centre/cinema in the community hall in 2015 and we are consistently improving our gardens and facilities for our residents. We continue to add value to properties that we renovate;

- We are creatively exploring opportunities to expand our operations so as to achieve greater economies of scale, cost control and increased income given that as a Company, our residential aged care facility and retirement village are regularly full, we have a healthy waiting list and we are in demand. In this regard, we are seeking opportunities to expand the Company so as to respond to current and future demand as well as to grow and develop our revenue opportunities and overall sustainability.

Meetings of Directors

During the financial year 12 meetings of Directors were held. Attendances by each Director were as follows:

	Number eligible to attend	Number attended
Ms Wendy Kramer	12	12
Mr Wolfgang Müller	12	11
Mr Gerd Wilmer	12	8
Mr Wolfgang Mitterhuemer *	12	0
Mr Ben Bowley *	6	5
Mr Nicolas Perren *	9	6

* Mr Wolfgang Mitterhuemer was granted leave of absence while overseas.

* Mr Ben Bowley joined the Board during 2014.

* Mr Nicolas Perren resigned as a Director during 2015.

Directors Benefits

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company with a Director, a firm of which a Director is a member or an entity in which a Director has a substantial financial interest.

Members Liability

The entity is a Company Limited by Guarantee under the Corporations Act 2001. If the entity is wound up, the Constitution states that each member is required to contribute a maximum of \$20.00 each towards meeting any obligations of the Company.

At 30 June 2015, the collective liability of the members was \$560.00 for full members.

Auditors

SCS Audit & Corporate Services Pty Ltd.

Auditor's Declaration of Independence

The Auditor's declaration of Independence as required under Section 307C of the Corporations Act 2001 is set on page 19.

Wendy Kramer
President
19th August 2015



Auditor's Declaration of Independence



SCS AUDIT &
CORPORATE SERVICES PTY LTD

ABN 99 165 260 444

AUDITOR'S DECLARATION OF INDEPENDENCE

To the directors of Allambie Heights Village Ltd

In relation to our audit of Allambie Heights Village Ltd for the year ended 30 June 2015, I declare that, to the best of my knowledge, there have been:

- (a) no contravention of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contravention of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Allambie Heights Village Ltd.

SCS Audit & Corporate Services Pty Ltd

Brian Robert Taylor
Registered Company Auditor

Sydney

19 August, 2015.

Liability limited by a scheme approved under Professional Standards Legislation.



Statement of Comprehensive Income

Statement of Comprehensive Income

	Note	2015	2014
		\$	\$
Revenue and Other Revenue	4	4,612,421	4,223,123
Catering	5	(430,711)	(426,092)
Depreciation	5	(190,128)	(169,691)
Employment Expenses	5	(1,650,237)	(1,480,054)
Insurance	5	(84,225)	(78,200)
Repairs and Maintenance	5	(75,352)	(82,558)
Other operating expenses	5	(626,008)	(607,034)
Profit for the year		1,555,760	1,379,494
Other comprehensive income:			
		-	-
TOTAL COMPREHENSIVE PROFIT FOR THE YEAR		1,555,760	1,379,494



Statement of Financial Position

	Note	2015	2014
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	7	1,399,937	1,570,024
Receivables	8	75,754	95,525
Financial assets at fair value	9	18,395,373	15,811,461
Prepayments and deposits		318,226	95,780
TOTAL CURRENT ASSETS		20,189,290	17,572,790
NON-CURRENT ASSETS			
Property plant and equipment	10	16,065,824	16,079,575
TOTAL NON-CURRENT ASSETS		16,065,824	16,079,575
TOTAL ASSETS		36,255,114	33,652,365
CURRENT LIABILITIES			
Payables	11	27,721,277	26,667,082
Provisions	12	106,563	99,614
TOTAL CURRENT LIABILITIES		27,827,840	26,766,696
NON-CURRENT LIABILITIES			
Provisions	12	68,050	82,205
TOTAL NON-CURRENT LIABILITIES		68,050	82,205
TOTAL LIABILITIES		27,895,890	26,848,901
NET ASSETS		8,359,224	6,803,464
EQUITY			
Accumulated funds	13	4,076,359	2,520,599
Asset revaluation reserve	14	4,282,865	4,282,865
TOTAL EQUITY		8,359,224	6,803,464



Statement of Changes in Equity

Changes in Equity	Note	2015	2014
		\$	\$
Total equity at the start of the financial year		6,803,464	5,423,970
Gain from asset revaluation		-	-
Total comprehensive income for the year		1,555,760	1,379,494
Total equity at the end of the financial year		8,359,224	6,803,464



Statement of Cash Flows

	Note	2015	2014
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from residents and government		3,407,891	3,345,748
Interest and dividends received		689,747	599,898
Payments to suppliers and employees		(3,109,797)	(2,796,009)
Net cash provided by (used in) operating activities	15	987,841	1,149,637
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property plant and equipment		(176,377)	(243,313)
Realisation (purchase) of investments		(1,991,904)	(6,227,861)
Net cash provided by (used in) investing activities		(2,168,281)	(6,471,174)
CASH FLOW FROM FINANCING ACTIVITIES			
Net Proceeds from tenants deposits		1,010,353	5,200,707
Net cash provided by (used in) financing activities		1,010,353	5,200,707
Net increase (decrease) in cash held		(170,087)	(120,830)
Cash at beginning of the Year		1,570,024	1,690,854
Cash at end of year	16	1,399,937	1,570,024



Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2015

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1. Summary of Significant Accounting Policies

Basis of Preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The financial statements of Allambie Heights Village Ltd. also complies with International Financial Reporting Standards (IFRS).

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Critical Accounting Estimates

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

a) Income tax

The Company is a tax-exempt body.

b) Cash and cash equivalents

Cash on hand and in banks and short-term deposits are stated at nominal value. For the purposes of the statement of cash flows, cash consists of cash at bank and investments which can readily be converted into cash. The Company had no bank overdrafts at 30 June 2015 (2014: \$nil).

c) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Short-term receivables with no stated interest rate are measured at the nominal amount due where the effect of discounting is immaterial. Collectibility of receivables is reviewed on an ongoing basis and, where necessary, an impairment provision is

recorded. Bad debts are written off as incurred.

d) Financial assets at fair value

Allambie Heights Village Ltd. classifies its financial assets after initial recognition and, when allowed and appropriate, re-evaluates them at each financial year end. The Company's investments are measured at "fair value through profit or loss". This classification applies to investments classified as "held for trading" and the investments are measured at fair value. Financial assets are classified as "held for trading" if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading. Gains or losses on these assets are recognised in the operating statement.

The Company's Managed Investment facilities are designated at fair value through profit or loss. These financial assets are managed and their performance is evaluated on a fair value basis, in accordance with the Company's risk management strategy.

Designation at fair value through profit or loss is consistent with the Company's risk management strategy because that strategy requires the Board to monitor the fair value of its managed investments as a basis for assessing the risk associated with the investments.

The movement in the fair value of the Managed Investment facilities incorporates distributions received as well as unrealised movements in fair value and is reported in the income statement line item 'investment income (loss)'.

e) Impairment of financial assets

All financial assets are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due.

Any reversals of impairment losses are reversed through the income statement, where there is objective evidence that the reversal is necessary.

f) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when:



- The contractual rights to the cash flows from the financial assets expire, or
- The Company transfers the financial asset such that substantially all the risks and rewards are transferred or control of the financial asset is lost.

A financial liability is derecognised when the obligation specified in the contract is discharged or the obligation is cancelled or expires.

g) Consumable materials

Purchases of consumable materials, including food and other supplies, has been expensed in the year of purchase.

h) Fundraising activities

The Charitable Fundraising Act 1991 and Regulations prescribe the manner in which fundraising appeals are conducted, controlled and reported in NSW. The amounts shown in note 20 are in accordance with the Act. Although the Act specifies that unsolicited donations, members' donations and bequests are not to be treated as fundraising income, they have been included in Note 20 in the interests of full disclosure. Donations and bequests are reported as income when received by the Company.

No costs were incurred in earning fundraising income.

i) Property, Plant and Equipment

Property, plant and equipment is carried at cost less any accumulated depreciation and any impairment in value.

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. No such impairment was identified during the year ended 30 June 2015.

The depreciable amounts of property, plant and equipment assets are depreciated on a straight line basis over their estimated useful lives using the following rates:

Building and Roads	1%
Furniture and Fittings	10%
Plant and Equipment	15%
Motor Vehicles	15%

j) Payables

Payables represent liabilities for goods and services provided to the Company. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. Trade accounts payable are unsecured and are generally settled within their due date.

k) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions relate to employee annual leave and long service leave benefits. These liabilities are recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' service up to that date. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

The outstanding amount of superannuation, which is consequential to employment, is recognised as liabilities and expenses where the employee entitlements to which they relate have been recognised.

l) Revenues

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.



m) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

n) Going concern

The financial statements have been prepared on a going concern basis. The continued operations of the Company is dependent upon its ability to attract residents with the capacity to provide entry contributions and accommodation payments that may be required to replace accommodation payments in the normal course of business and to maximise Government Subsidies.

Allambie Heights Village Ltd. continues to refund all accommodation payments and all entry contributions on time and in compliance with the Prudential Requirements of the Aged Care Act 1997 and the Principles and involving compliance with Liquidity and Governance Standards.

o) Leasing

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

p) Change in accounting disclosures

Allambie Heights Village Ltd. has recorded resident accommodation payments and resident entry contributions as current liabilities for the current financial year ended 30 June 2015 in accordance with Australian Accountancy Standard AASB 101 (69). The comparatives for 30 June 2014 have also been disclosed as current liabilities.

2. Financial Instruments

Allambie Heights Village Ltd's. principal financial instruments comprise cash, investments, receivables, payables and funds held in trust. The Company manages its exposure to key financial risks in accordance with its risk management policy. The objective of the policy is to facilitate the effective management of potential opportunities and adverse effects.

The main risks arising from the Company's financial instruments are interest rate risk, credit risk and liquidity risk. The Company uses different methods to measure and manage the different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate risk and assessments of market forecasts for interest rates. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, and liquidity risk is monitored through the development of budgets.

Primary responsibility for identification and control of financial risks rests with the Board.

a) Financial instrument categories

	2015	2014
	\$	\$
Financial Assets		
Cash and cash equivalents	1,399,937	1,570,024
Receivables	75,754	95,525
Investments	18,395,373	15,811,461
Financial Liabilities		
Payables	27,721,277	26,667,082

b) Credit risk

Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents, investments and receivables. The Company's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these financial assets (net of any allowance for impairment). The Company trades only with recognised, creditworthy third parties, and as such collateral is not requested. The Company has not securitised its trade and other receivables and has not granted any financial guarantees. Credit risk associated with the Company's financial assets, other than receivables, is managed through the selection of counter parties and investment managers.

Cash

Cash comprises cash on hand and at bank and in short-term investments.

**Receivables**

All debtors relate to amounts receivable from residents. Collectability of debtors is reviewed on an ongoing basis. Established procedures are followed to recover outstanding amounts. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the Company will not be able to collect all amounts due.

Based on past experience, no receivables are considered impaired. There are no debtors which would otherwise be past due or impaired whose terms have been renegotiated.

Investments

Allambie Heights Village Ltd. has an investment portfolio which is managed by Evans & Partners and Morgan Stanley. The objective is to achieve a balance between risk and return, whilst ensuring adequate liquidity. During the year a net gain amounting to \$1,215,598 was recorded (2014: \$932,420 Gain).

c) Liquidity risk

The Company's exposure to liquidity risk is considered to be low. Liquidity risk is the risk that Allambie Heights Village Ltd. will be unable to

meet its payment obligations when they fall due. The Company continuously manages liquidity risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets when required. The objective is to maintain a balance between continuity of funding and flexibility through the use of available liquid resources.

During the current and prior years, there were no defaults or breaches on any amounts payable. No assets have been pledged as collateral.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with normal trade terms.

The table below summarises the expected maturity profile of the Company's financial liabilities, together with the interest rate exposure. All obligations are shown at undiscounted cash flow amounts. Residents' entry contributions and accommodation payments have no specific maturity date as repayment is required on the resident's departure. Expected maturity dates have been estimated based on past experience.

	Amount Due	Maturity Dates		
		< 1 year	1-5 years	> 5 years
30 June 2015				
Financial Assets				
Cash	1,399,937	1,399,937	-	-
Receivables	75,754	75,754	-	-
Financial Liabilities				
Creditors	271,042	271,042	-	-
Contributions and payments	27,450,235	27,450,235	-	-
30 June 2014				
Financial Assets				
Cash	1,570,024	1,570,024	-	-
Receivables	95,525	95,525	-	-
Financial Liabilities				
Creditors	229,975	229,975	-	-
Contributions and payments	26,437,107	26,437,107	-	-



Interest Rate Exposure	Interest rate	Fixed rate	Variable rate	Non-interest bearing
30 June 2015				
Cash	0.01%	-	1,399,937	-
Receivables	5.00%	75,754	-	-
Creditors	-	-	-	271,042
Contributions and payments	-	-	-	27,450,235
30 June 2014				
Cash	0.01%	-	1,570,024	-
Receivables	5.00%	95,525	-	-
Creditors	-	-	-	229,975
Contributions and payments	-	-	-	26,437,107

d) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices. Allambie Heights Village Ltd.'s exposure to market risk is primarily through price risks associated with the movement in the market prices of its investments. The Company has limited exposure to foreign currency risks.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Company operates and the time frame for the

assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the balance sheet date. The analysis is performed on the same basis for 2014. The analysis assumes that all other variables remain constant.

Interest Rate Risk

The Company also has some exposure to interest rate risk arising from its investment in interest-bearing cash balances. In assessing sensitivity, a reasonably possible change of +/- 2% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Company's exposure to interest rate risk is set below.

	Carrying Amount	+/-2% Profit
2015		
Cash and cash equivalents	1,399,937	27,999
BT Portfolio - Cash Account	3,497	70
LLL Account	18,805	376
2014		
Cash and cash equivalents	1,570,024	31,400
BT Portfolio - Cash Account	2,500	50
LLL Account	18,119	362

*Other Price Risk*

Exposure to 'other price risk' primarily arises through the investment in the Evans & Partners & Morgan Stanley Portfolio facilities, which are held for strategic rather than trading purposes. Allambie Heights Village Ltd. has investments in the following categories:

Interest Bearing Securities
Australian Equities
Global Equities
Property
Cash

The majority of the investments are listed and the value is determined by reference to market

prices. One property investment is unlisted, and the value of this investment is determined on the basis of net tangible asset backing. A provision for impairment has been recorded in relation to some investments at 30 June 2015 as trading has ceased in those investments and recovery is uncertain.

Investment in the Portfolio is intended to manage the Company's exposure to risk, as it allows diversification across a pool of funds, with different investment horizons and a mix of investments.

The investment facilities are designated at fair value through profit or loss and therefore any change in value impacts directly on profit (rather than equity).

	Book Value \$	Change in value %	Impact \$
2015			
Interest Bearing Securities	2,296,977	+/- 1%	22,970
Term deposits and Cash	10,172,198	+/- 1%	101,722
Global & Australian Equities	5,309,921	+/- 10%	530,992
Property	623,239	+/- 20%	124,648
2014			
Interest Bearing Securities	1,083,879	+/- 1%	10,839
Term deposits and Cash	10,840,385	+/- 1%	108,404
Global & Australian Equities	3,207,544	+/- 10%	320,754
Property	690,884	+/- 20%	138,177

3. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.



Significant Accounting Judgements

Impairment of non-financial assets

Allambie Heights Village Ltd. assesses impairment of all assets at each reporting date by evaluating possible impairment conditions. These include changes in technology, economic and political environments and future resident expectations. If an impairment trigger exists, the recoverable amount of the asset is determined. In relation to the year ended 30 June 2015, management did not identify significant triggers for impairment testing and as such these assets have not been tested for impairment.

Long Service Leave Provision

Long service leave is measured on a nominal basis. Allambie Heights Village Ltd. periodically compares the difference between using the nominal method and the full present value method. The calculation using the full present value method requires assumptions such as application of employment legislation, and expected future salary levels and expected future salary on-cost expenses. These uncertainties may result in future actual expenditure differing from the amounts currently provided.

Estimation of useful lives of assets

The estimation of the useful lives of assets has

been based on historical experience as well as manufacturers' warranties (for plant and equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Additional Financial Information

The additional financial data presented below is in accordance with the books and records of Allambie Heights Village Ltd. which have been subjected to the auditing procedures applied by SCS Audit & Corporate Services Pty. Ltd. in this statutory audit of the Company for the year ended 30 June 2015.

It will be appreciated that the statutory audit performed by SCS Audit & Corporate Services Pty. Ltd. did not cover all details of the financial data presented in the accounts. Accordingly, SCS Audit & Corporate Services Pty. Ltd. does not express an opinion on such financial data and no warranty of accuracy or reliability is given. SCS Audit & Corporate Services Pty. Ltd. does not undertake any responsibility in any way whatsoever to any person in respect of such data, including any error or omissions therein however caused.

4. Revenue from Ordinary Activities

Income from residents

Retirement Village and RACF fees
Maintenance and Services fees

Other income

Government subsidies
Fundraising and donations
Kitchen income
Kiosk income
Other income
Investment Income

	2015	2014
	\$	\$
Retirement Village and RACF fees	1,594,195	1,609,442
Maintenance and Services fees	259,058	244,131
Government subsidies	1,309,660	987,212
Fundraising and donations	21,195	10,290
Kitchen income	13,414	22,932
Kiosk income	771	2,660
Other income	198,530	414,036
Investment Income	1,215,598	932,420
	4,612,421	4,223,123



5. Expenses from Ordinary Activities

	2015	2014
	\$	\$
Accounting services	36,950	34,460
Advertising	7,072	14,479
Audit fees	15,917	13,750
Bank fees	628	497
Cleaning, waste disposal, medical and care supplies	73,622	49,878
Contractors	66,005	42,751
Depreciation	190,128	169,691
Donations	1,500	-
Electricity and gas	66,033	75,925
Function and meeting expenses	2,268	3,936
Insurance	29,767	29,917
Interest Paid	8,169	8,312
Kiosk expenses	238	1,797
Kitchen expenses	430,711	426,092
Legal and accreditation fees	3,287	5,784
Memberships and subscriptions	5,735	5,968
Motor vehicle expenses	14,989	18,050
Payroll services	12,336	11,775
Postage, printing, stationery and software	26,393	22,715
Rates and crown lease	28,295	26,608
Recreational activities	1,426	2,409
Repairs and maintenance	75,352	82,558
Salaries and salary sacrifice	1,650,237	1,480,054
Security and fire monitoring	37,529	10,695
Software/iCare	3,585	-
Staff Contractors	-	8
Staff Recruitment	1,818	4,694
Staff training	6,632	2,944
Subsidies Training & Support	11,000	70,110
Sundry expenses	11,623	16,575
Superannuation	157,547	137,610
Telephone	9,110	7,815
Water and sewage	16,301	17,489
Workers compensation	54,458	48,283
	3,056,661	2,843,629

6. Investment Income (Loss)

Interest and dividends received	679,126	571,216
Gain / Loss on investments	592,008	397,499
Investment advisor fees	(55,536)	(36,295)
	1,215,598	932,420

**7. Cash**

Westpac trading account
Westpac investment account
Petty cash

2015	2014
\$	\$
89,827	696,762
1,299,620	856,825
10,490	16,437
1,399,937	1,570,024

8. Receivables

Residents payments in arrears
Net GST receivable
Investment income receivable

319	4,365
11,350	16,454
64,085	74,706
75,754	95,525

9. Financial Assets at Fair Value

Mirvac Property Trust (at current value)
Managed Asset Trusts (at current value)
Term Deposits
LLL investment account
Loan to Residents - Petty Cash Float
Provision for diminution in investments

63,760	60,178
8,469,595	6,597,759
9,932,740	9,224,933
18,805	18,119
10,000	10,000
(99,527)	(99,528)
18,395,373	15,811,461

10. Property Plant & Equipment

Buildings at 2013 valuation
Additions - at cost
Less Accumulated Depreciation

15,335,000	15,335,000
221,002	42,483
(312,258)	(153,612)
15,243,744	15,223,871

Buildings at 2013 valuation and cost

Plant & Equipment at 2013 valuation
Additions - at cost
Less Accumulated Depreciation

631,100	631,100
122,478	26,914
(25,739)	(8,562)
727,839	649,452

Plant & Equipment at 2013 valuation and cost

Motor Vehicles at 2013 valuation
Additions -at cost
Less accumulated depreciation

46,000	46,000
49,367	49,367
(21,822)	(7,517)
73,545	87,850

Motor Vehicles at 2013 valuation and cost

Work in Progress

20,696	118,402
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Total Property, Plant and Equipment

16,065,824	16,079,575
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Revaluation 2013

Building improvements, plant and equipment and motor vehicles were revalued as of 30 June 2013 by RHAS Chartered Valuers and Brokers by James Munroe B.Com AAPI.

Buildings were revalued using Depreciated Replacement Cost Approach. Plant & Equipment & Motor Vehicles used a variety of methods including sales comparison, reference to reputable dealers, or discount to new basis.

11. Creditors and Borrowings

Current

Residents' deposits
Residents' fees received in advance
Payables and accruals

Non-Current

Residents' deposits
Residents' accommodation payments

	2015	2014
	\$	\$
Residents' deposits	27,450,235	26,437,107
Residents' fees received in advance	84,753	77,733
Payables and accruals	186,289	152,242
	27,721,277	26,667,082
Residents' deposits	-	-
Residents' accommodation payments	-	-
	-	-

The Australian Securities and Investments Commission (ASIC) and the Australian Accounting Standard AASB 101 (69) require accommodation payments and resident entry contributions be treated as current liabilities and not as non-current liabilities. Our industry representative organization has on our behalf and on behalf of other providers in similar positions communicated with ASIC indicating that they will be raising awareness among providers about compliance with this Standard across the Industry.

Allambie Heights Village Ltd. has recorded resident accommodation payments and resident entry contributions as current liabilities in accordance with Australian Accounting Standard AASB 101 (69).

Allambie Heights Village Ltd. continues to refund all accommodation payments and all entry contributions on time and in compliance with the Prudential Requirements of the Aged Care Act 1997 and the Principles and involving compliance with a Liquidity Standard; a Records Standard; a Disclosure Standard and a Governance Standard. We provide to the Department of Social Services an Annual Compliance Statement in this regard each financial year along with an Independent Audit Report on the Annual Prudential Compliance Statement.

During the current and prior years, there were no defaults or breaches on any amounts payable.

**12. Provisions****Current**

Provision for annual leave

Non-Current

Provision for long service leave

Movements in provisions**(i) Annual leave**

Carrying amount at the beginning of the year

Additional provision

Carrying amount at the end of the year

(ii) Long Service Leave

Carrying amount at the beginning of the year

Additional provision

Carrying amount at the end of the year

2015	2014
\$	\$
106,563	99,614
68,050	82,205
174,613	181,819
99,614	94,429
6,949	5,185
106,563	99,614
82,205	85,774
(14,155)	(3,569)
68,050	82,205

13. Accumulated Funds

Accumulated funds at beginning of period

Transfer from Capital Works Fund

Profit /(Loss) From Ordinary Activities

Accumulated funds at end of period

2015	2014
\$	\$
2,520,599	1,141,105
-	-
1,555,760	1,379,494
4,076,359	2,520,599

14. Reserves

The asset revaluation reserve is used to record increments and decrements in the value of non-current assets.

Balance at beginning of year

Gain from revaluation

Balance at end of year

2015	2014
\$	\$
4,282,865	4,282,865
-	-
4,282,865	4,282,865



15. Reconciliation of Cash Flow from Operations with Operating Profit

Operating Profit (Loss)

Non-Cash Flows in Operating Profit

Depreciation

Unrealised investment losses (gains)

Changes in Assets and Liabilities:

Decrease (Increase) in Receivables

Decrease (Increase) in Prepayments

Increase (Decrease) in Creditors and Provisions

Cash Flows from Operations

2015	2014
\$	\$
1,555,760	1,379,494
190,128	169,691
(592,007)	(397,499)
21,258	84,159
(219,672)	(57,963)
32,374	(28,245)
987,841	1,149,637

16. Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related item in the Statement of Financial Position as follows:

Cash on Hand and at Bank

2015	2014
\$	\$
1,399,937	1,570,024
1,399,937	1,570,024

17. Capital Expenditure Commitments

Estimated capital expenditure contracted for at the reporting date, but not provided for, payable:

not later than one year

later than one year and not later than five years

later than five years

2015	2014
\$	\$
50,000	50,000
250,000	300,000
-	-
300,000	350,000

18. Auditor's Remuneration

Amounts received or due and receivable by the auditor:

Auditing the financial report of the Company

2015	2014
\$	\$
14,500	14,500
14,500	14,500



19. Segment Information

The Company operates in a single geographical location (Australia) and has two operating segments (Retirement Village and Residential Aged Care Facility).

There are no transactions between the segments. Joint costs are shared between the segments based on management's estimate of the benefit derived by each segment.

	Retirement Village	Residential Aged Care Facility	Non-Segment
	2015	2015	2015
	\$	\$	\$
Revenue			
Government Subsidies	-	1,309,660	-
Resident Fees	344,144	925,522	-
Capital Grants	-	-	-
Retentions	475,676	107,911	-
Other	663,393	686,634	99,481
Total Revenue	1,483,213	3,029,727	99,481
Expenses			
Employee Expenses	(272,471)	(1,377,766)	-
Interest	-	(8,169)	-
Depreciation	(94,767)	(95,361)	-
Other	(266,577)	(995,585)	54,035
Total Expense	(633,815)	(2,476,881)	54,035
Segment Result	849,398	552,846	153,516
Assets			
Current Assets	74,563	77,656	20,037,071
Non-Current Assets	7,803,054	8,262,770	-
	7,877,617	8,340,426	20,037,071
Liabilities			
Current Liabilities	(12,016,385)	(15,811,455)	-
Non-Current Liabilities	(13,610)	(54,440)	-
	(12,029,995)	(15,865,895)	-
Other segment information			
Accommodation Payment Liabilities	-	15,527,694	-
Entry Contribution Liabilities	11,840,889	-	-
Borrowings	-	-	-



19. Segment Information (continued)

	Retirement Village	Residential Aged Care Facility	Non-Segment
	2014	2014	2014
	\$	\$	\$
Revenue			
Government Subsidies	-	987,212	-
Resident Fees	319,419	947,437	-
Capital Grants	-	-	-
Retentions	469,586	117,130	-
Other	514,428	537,117	330,794
Total Revenue	1,303,433	2,588,896	330,794
Expenses			
Employee Expenses	(274,804)	(1,205,250)	-
Interest	(60)	(8,372)	-
Depreciation	(84,672)	(85,019)	-
Other	(255,411)	(966,335)	36,294
Total Expense	(614,947)	(2,264,976)	36,294
Segment Result	688,486	323,920	367,088
Assets			
Current Assets	386,968	389,587	16,796,235
Non-Current Assets	7,803,660	8,275,915	-
	8,190,628	8,665,502	16,796,235
Liabilities			
Current Liabilities	(11,862,829)	(14,903,867)	-
Non-Current Liabilities	(16,441)	(65,764)	-
	(11,879,270)	(14,969,631)	-
Other segment information			
Accommodation Payment Liabilities	-	14,662,330	-
Entry Contribution Liabilities	11,688,739	-	-
Borrowings	-	-	-



20. Fundraising

Information furnished under the Charitable Fundraising Act 1991

	2015	2014
	\$	\$
Fundraising monies received		
Donations	21,195	10,290
Fundraising	-	-
	21,195	10,290
Costs incurred in fundraising	-	-

Notes to and Forming Part of the Accounts



Directors' Declaration

The Directors of the Company declare that:

The Annual Financial Report and Notes, as set out on pages 16 to 39 are in accordance with the Corporations Act 2001, including

- (a) Giving a true and fair view of the financial position as at 30 June 2015 and of the performance and cash flows for the year ended on that date; and
- (b) Complying with Accounting Standards (including Australian Interpretations) in Australia and the Corporations Regulation 2001 and other mandatory professional reporting requirements; and
- (c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The declaration is made in accordance with a resolution of the Board of Directors.

Wendy Kramer
Director

19 August, 2015



Independent Auditor's Report



**SCS AUDIT &
CORPORATE SERVICES PTY LTD**

ABN 99 165 260 444

INDEPENDENT AUDIT REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLAMBIE HEIGHTS VILLAGE LTD

We have audited the accompanying financial report of Allambie Heights Village Ltd, which comprises the statement of financial position as at 30th June 2015

and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors declaration at the years end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001.

This responsibility includes designing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1, the directors also state, in accordance with Accounting Standards AASB 101: Presentation of Financial Statements that the financial report, comprising the financial statements and notes, complies with the International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards.

These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.



Independent Auditor's Report (Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001

Auditor's Opinion

In our opinion:

- a) the financial report of Allambie Heights Village Ltd is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30th June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b) the financial report also complies with International financial Reporting Standards as disclosed in Note 1 to the financial statements.

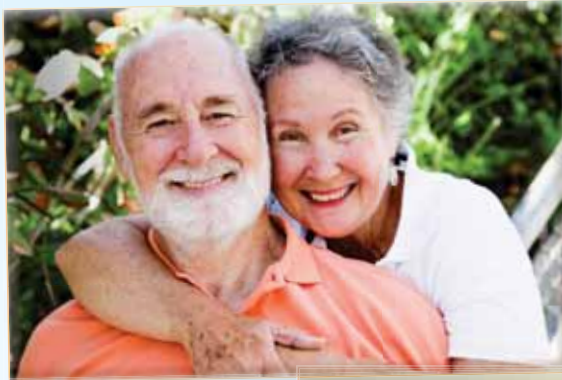
SCS Audit & Corporate Services Pty Ltd

Brian Taylor
Registered Company Auditor

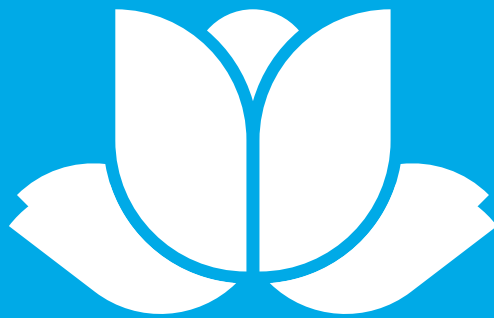
Sydney

19 August, 2015.

Limited liability by a scheme approved under Professional Standards Legislation.



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ALLAMBIE HEIGHTS
Village

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