



ALLAMBIE HEIGHTS  
*Village*

**Retirement Village & Aged Care Facility**



**2015-2016 Annual Report**



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## Report of the President



*Wendy Kramer, President*

Welcome to those who have joined our community over the past twelve months and our warmest thoughts to the families of those who have left us.

What an exciting year it has been for Allambie Heights Village Ltd. We celebrated our 50th anniversary as a Company and retirement village and our 20th anniversary for our residential aged care facility. It was very reassuring to see the support of this achievement displayed by all our village residents and the wider community dignitaries.

After several years of negotiating, we have been successful in securing our neighbouring property, William Charlton Village thanks to the tireless work of the Chief Executive Officer and his management team. This secures the ability for future expansion and avoids the possibility of an unknown neighbour encroaching on our village environment. Allambie Heights Village and William Charlton Village will remain as separate retirement villages but will for administration provision come under the greater umbrella of the Company Allambie Heights Village Ltd.

Due to the increasing ageing population and the continuing demand for placement in the “Best Kept Secret on the Northern Beaches”, we are embarking on a major development and extension of our residential aged care facility. Of course, this rebuilding program

will require some temporary changes and transitory inconvenience to our current residents. I applaud the positive attitude displayed by our residents towards these new developments. Along with the Board and management, I am sure that the proposed changes will enable us to provide an even better residential aged care facility service for current and future residents.

We continue to monitor the changing needs of those entering our residential aged care facility and plan that these needs will be met in our extended service. As a business, it is essential to plan optimistically for the future and not show complacency.

We maintain our excellent accreditation standards, in no small part due to our loyal members of staff and the vibrant management team. Despite the fluctuating financial conditions and interest rates, we maintain a positive financial position.

I would like to express the Board’s gratitude for the tireless daily work of Ciarán Foley and his management team over a year of rapid change.

I acknowledge also the work carried out by all the loyal, caring and ancillary staff along with the group of volunteers who provide the day-to-day tasks which contribute so much to our residents’ lifestyle.

To my fellow Directors, I say thank you for your continued voluntary contribution towards the good governance of Allambie Heights Village Ltd.

Finally to Ciarán Foley, my congratulations for 10 years continuous service to this Company. Many of us have witnessed how he raised Allambie Heights Village Ltd. as a cottage industry to a vibrant Company providing a highly recognised standard of care and accommodation. Such an achievement is not possible without continuous attention to detail and the ability to manage changes and difficulties with professionalism. Thank you Ciarán for the continuing dedication of your own time and management skills in the service of this Company.

Let us all look forward positively and with excitement to the expansion and improvements to Allambie Heights Village Ltd. to secure it for the long-term future.

**Wendy Kramer**  
President, Board of Directors



## Report of the Chief Executive Officer



*Ciarán Foley, Chief Executive Officer*

The past year has been one of the busiest years in our history as a Company!

It is normal practice to conclude a report with thanks of appreciation to a range of people but I trust that by starting my report expressing immense thanks to those people, I might just indicate in some way just how appreciative I am to them for what they and we have achieved.

Thank you residents! As I continue to say, "You are the only reason that we are here". It has been a pleasure providing you with quality care and accommodation, whether in our residential aged care facility or retirement village. Thank you for saying good things to your friends and relatives about us and for promoting us as a Company. This is far more important than a promotional advert in the newspaper and it's real!

To the Members of the Company who are stalwarts in their support of us, thank you for the past year and for committing to another year of membership. It was wonderful to meet you at our last Annual General Meeting, at our inaugural lecture and at the celebrations to mark our 50th Anniversary as a Company. We are planning a series of lectures in 2016-2017 that will interest you and provide you with

networking opportunities as well as an opportunity to meet our residents and contractors.

To the President, Wendy Kramer and to Wolfgang, Gerd, Ben and Cameron, our Company would be a very different place without you as its Directors. Your skill and knowledge from health, business, finance and marketing as well as from a range of other areas has contributed in steering our strategic direction over the past year and your governance has ensured that we continue to operate to the highest of standards. As a Chief Executive Officer reporting to you regularly, I can assure everyone that we have a solid working and respectful relationship.

To Lindsey Hatt, Director of Care; Patricia Cearnas, Retirement Living Manager; Eddie Youil, Accounts Manager; Virginia Stapleton, Recreational Activities & Volunteer Coordinator; Anu and Sushmita, Registered Nurses; Belinda, Louise and Ve, Team Leaders; Dennis Caldwell, Maintenance Supervisor and team, Tony and Rob; Jenny Bennett, Housekeeping Supervisor and team, Zarina, Marlene and Tran; Kim and Cathy, Reception and Accounts and to all our staff members, my sincere thanks and appreciation. You make it happen every shift of every day. Keep striving to achieve higher and higher standards in the service, courtesy, humanity and individual attention that you provide to our residents and to all who come to our Company.

Lindsey and Patricia have played an important role in assisting me with our future plans and developments and I hope that you will now see the harvesting of those long and detailed meetings and the fruition of those many discussions. Thank you also for the leadership, care and concern that you have shown regularly around all of our people and the interest that you demonstrate about Company matters.

Thank you to Catering Industries Pty Ltd, our largest contractor, to Andrew Haskett, Chef Manager and his team for outstanding food and for delivering around 80,000 quality meals per year to our residents, visitors and staff. And congratulations on achieving another 'A' Classification from the NSW Food Authority.



To all our contractors, thank you for your specialist help and the value that you bring to us. And to our wonderful volunteers, thanks is insufficient to reflect how we think of you. We know what you give to our residents and to us and we look forward to celebrating you at our Annual Volunteers Lunch in February.

I am pleased to report that financial year 2015-2016 represented another productive and successful year for our Company. My colleagues in their own reports reflect so much of this.

As at the end of the financial year, 30 June 2016, both our residential aged care facility and our retirement village had experienced near to or actual maximum occupancy for most months of the year.

We are experiencing a continuing trend in our residential aged care facility of residents being admitted at a much older age and frequently presenting with greater levels of dependency. I have spoken of my concerns regularly throughout the year of a government approach and its policies towards our industry that I believe are floundering and which interfere with our care and business models. I have communicated with politicians, locally, at State and Federal levels about these matters, about the rationing of approved places that feeds a market where such approved places are bought and sold with the knowledge and approval of the Department of Health who should be making them available freely. We are similarly experiencing changing trends in our retirement village with increased demands for two and three bedroom apartments.

It is therefore fitting that in order to respond to the demands and needs of existing and future residents, that we are planning to extend our residential aged care facility to double its size. We hope to commence building in March 2017 over a construction period of twenty-three months and achieve approximately 86 single rooms in total.

Our acquisition of our next door neighbour, William Charlton Village with an existing retirement village of 55 apartments on 3.7 hectares of Crown Land provides us with great development opportunity

while eliminating the threat of what a competitor might have done on a wonderful site if they had acquired the business.

We are reporting a Net Profit of almost \$1.1 million. This is less than last year's result due to increased volatility in global markets which affected our investment portfolio. It is still an excellent result. Our Total Equity has increased to just under \$10 million.

The Directors commissioned CBRE Valuations Pty Ltd to provide a valuation of the Company as a Going Concern as at 30 June 2016. The Company was valued at \$25.1 million. We have come a long way in a relatively short time. Watch this space!

**Ciarán Foley**  
Chief Executive Officer



*Ciarán Foley with Tony Abbott MP*



*Ciarán Foley with Patricia Robinson, Christa Gohl & Patricia Keenlyside*



## Report of the Treasurer

Report of the Treasurer



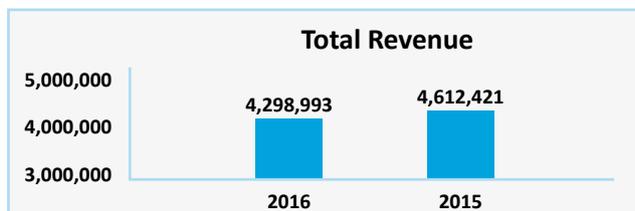
*Gerd Wilmer, Treasurer*

It is with great pleasure that I present the Annual Report for the year ended 30 June 2016 for Allambie Heights Village Ltd.

The financial result in this financial year has decreased from a Net Profit in the previous year of \$1,555,760 to \$1,099,782 this year, which is still an outstanding result considering market conditions.

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

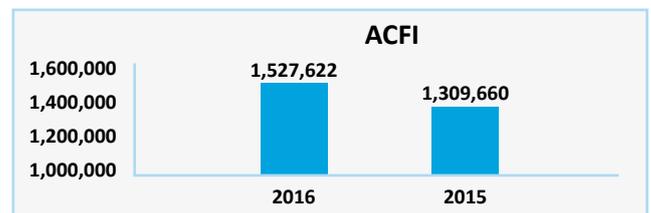
Total revenues decreased by \$313,428 from \$4,612,421 to \$4,298,993 due to volatility in global markets.



Revenues were again strong in our Residential Aged Care Facility as we continued to maximise ACFI (Medicare Payments) government funding for residents of our residential aged care facility, maximising occupancy in our residential aged care

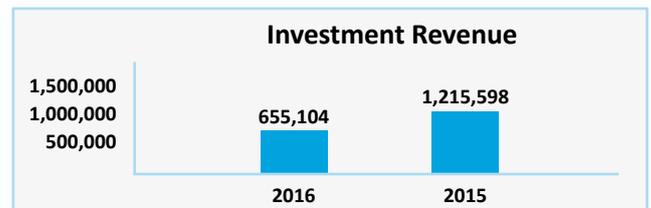
facility and retirement village (both full as at 30 June 2016). We expect more revenue uplift next year with higher dependant residents. Our Operating Costs increased by 4.8% compared with last year due to higher expenses associated with higher dependent residents.

The optimising of ACFI Medicare Payments resulted in an increase in ACFI Revenue by 16.6%, \$1,527,622 compared with previous year \$1,309,660.



Investment revenue has decreased from \$1,215,598 in FY 2015 to \$655,104 in FY 2016. This represents an approximate 4% return on the average invested funds (combined Investments and Term Deposit returns) over the period compared with 7% previous year. The return on Term Deposits were lower than the previous year which affected the overall Revenue. Rates received varied from 3.0% to 2.65%.

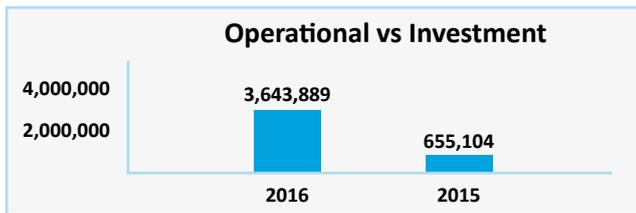
Our Managed Asset Portfolios performed with an average of 5% return on investments in spite of market volatility which was most noticeable in June 2016. Protecting Capital continued to be a requirement during 2016. The Board continues to monitor the performance of the investment portfolio which is managed by our financial advisers to decrease risk and to increase performance.



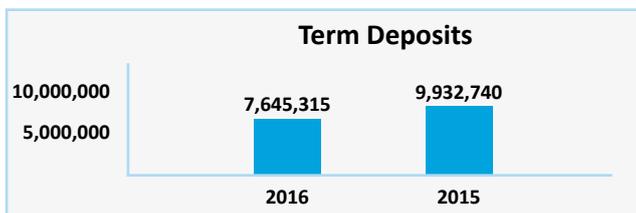
Operational Revenue amounted to \$3,643,889 and Investment Income amounted to \$655,104 which consists of Interest/Dividends on Investments of \$333,052, Capital Growth on Investments \$14,158



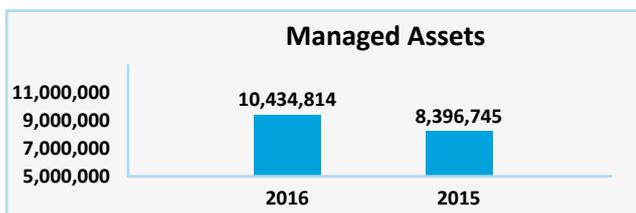
and Interest on Term Deposits and other Cash \$307,894. This demonstrates that we have a positive income stream from Operations and do not rely on Investment Income for the day to day operations of the residential aged care facility or retirement village. It also demonstrates the importance of strong cash flows when investment markets are volatile.



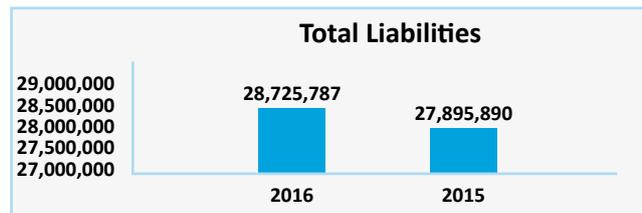
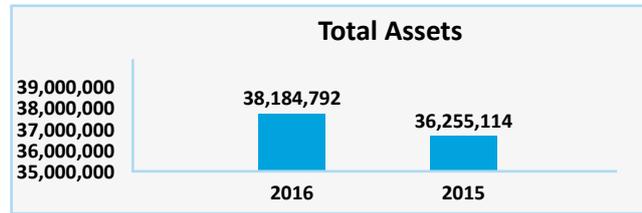
Our term deposit strategy has worked well in the current market with competitive rates achieved. Our term deposits held in 2016 are \$7,645,315 compared with previous year of \$9,932,740 a decrease of 23%.



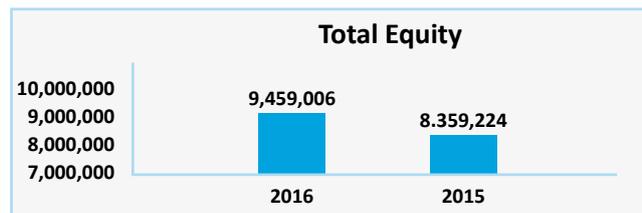
Managed Assets held in our Managed Assets Portfolio in 2016 totalled \$10,434,814 compared with previous year of \$8,396,745 which is an increase of 24.3%.



Assets have increased by \$1,929,679 and now total \$38,184,793 compared with previous year \$36,255,114, an increase of 5.3%. Liabilities have grown by \$829,897 and now total \$28,725,787 compared with previous year of \$27,895,890. 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 \$9,459,006 up from \$8,359,224, an increase of 13%.



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 2016 Financial Year and is in a strong financial position going forward.

**Gerd Wilmer**  
Treasurer



## Report of the Director of Care

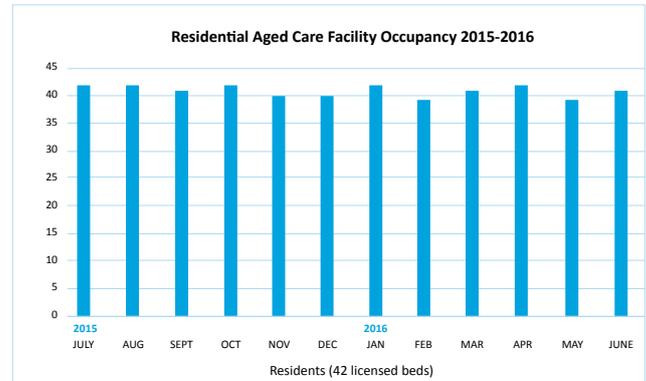
Report of the Director of Care



*Lindsey Hatt, Director of Care*

We are increasingly providing care to the many residents requiring us to meet their more complex needs on a daily basis. This year we have provided 17 residents with palliative care allowing them to pass away very peacefully in the comfort of their own home. Our staff have the expertise, experience and the appropriate tools to care for these residents. We have a great team of visiting general practitioners who assist us along with the expertise of the Northern Beaches Palliative Care team when required.

We look forward to the expansion of our residential aged care facility so we can provide these excellent services to more people from our local and the wider community. We generally have full occupancy throughout the year with a healthy waiting list for placements. We are showing on average 7-8 people around our residential aged care facility every week and most referrals are by word of mouth from family members, visitors, medical staff and other external services.



### Accreditation

After our full Accreditation in 2015, we continue to maintain our high standards of care as well as facilitating our continuous improvements to our care service delivery on a regular basis. On 29 February 2016 we had an unannounced visit from the Australian Aged Care Quality Agency. This is where an Auditor from the Agency turns up unannounced to review how any module from one of the four standards is being implemented. During this inspection, 'Supporting Independent Lifestyle and Preferences', was reviewed. The Auditor spent the whole day with our residents observing, talking to them and interviewing visitors and staff members. One of the comments from the report stated, "Care recipients enjoy the home's environment and greatly value the care and service provided". We really enjoy this Audit process as it allows us to showcase the great work that our team perform on a daily basis.

### Staffing

Our staff team consist of management, 2 registered nurses, 3 team leaders, 25 care staff, 1 recreational activities and volunteer co-ordinator, 4 housekeeping staff and we are supported by maintenance, finance, accounting and reception colleagues.

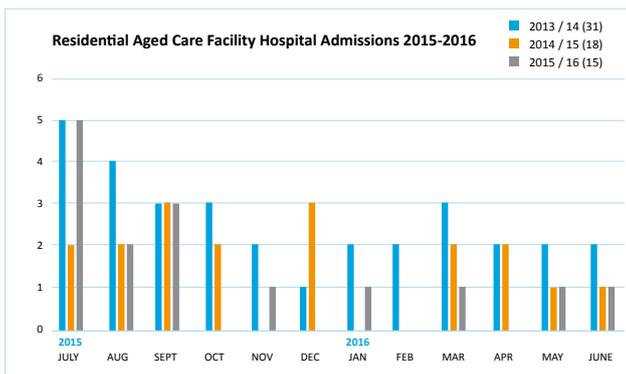
Our catering staff with our chef manager, gardeners, physiotherapist, podiatrist, beautician, medical staff and our wonderful volunteers make up our great team at the residential aged care facility. Staff retention is excellent and we continue to have staff who have celebrated their 10th Anniversary including Ciarán Foley, our Chief Executive Officer in 2016.



## Continuous Improvements

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

- Upgrade to our care documentation system iCare
- Updating First Aid training for all staff (annually)
- Revision of our admission process and documentation to ensure appropriate and relevant information is available for our admitting general practitioners for a medical management plan to commence on admission
- A trial vision and eye health study performed by the Macular Disease Foundation over a three day period which will contribute to national policy changes and best practice in residential aged care facilities across Australia
- Successful completion by a registered nurse in an 'Understanding Dementia' course over six months provided by the University of Tasmania and the commencement in the course by a second registered nurse
- Implementation of new staff rostering system
- Hospital admission of residents reduced compared with last year
- New external pharmacy services provider engaged
- Four staff members completed their Certificate IV in Mental Health
- Commencement of use of Rx medication charts so general practitioners do not have to write scripts (the charts are now the scripts)
- The purchase of garden furniture and shading for resident comfort
- The purchase of new wheelchairs and mobile shower chairs



## Allied Health

We continue to provide 312 hours of physiotherapy per year to our residents which includes regular exercise classes and also one on one treatments/assessments. In addition, our staff engage residents in regular walking and exercises on a daily basis.

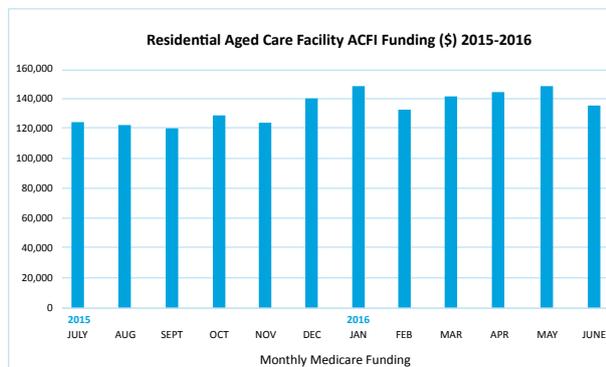
We have regular podiatry visits with residents being treated every 6 weeks throughout the year, dental assessment and denture technicians attend our residents when needed and speech & swallowing assessments conducted as required.

## Housekeeping

The housekeeping team provide on average 3,224 hours of cleaning and 1,300 hours of laundry service per year. We continue to be very proud when showing visitors around our residential aged care facility of the excellent standards of cleanliness and homeliness frequently remarked upon by on by visitors and residents alike.

## Aged Care Funding Instrument (ACFI)

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



**Lindsey Hatt**  
Director of Care



# Report of the Retirement Living Manager



*Patricia Cearnas, Retirement Living Manager*

Remarkable achievements have taken place during the financial year 2015-2016. In May 2016, Allambie Heights Village celebrated 50 years of operation of the retirement village and 20 years for the residential aged care facility.

Two successful events were organised, a corporate function held at the Manly Golf Club for Members, Mayors and Councillors, affiliated contractors and health providers. The second event was a cocktail party for our village residents and staff which attracted 90 guests, a wonderful evening enjoyed by all, celebrating such an amazing milestone, the journey from humble beginnings to our wonderful Company today. A new video was launched at the celebrations and can be viewed on the new website that was launched in September 2016.

Planning for the extension of the residential aged care facility has been an exciting and very busy process. Wonderful news for our local community that there we will be offering an extra 44 places. The new

residential aged care facility will accommodate 86 residents in very large, single rooms all with en-suite facilities. Beautiful recreation areas, quality finishes, landscaped gardens and latest technology are just some of the inclusions in the design specification.

Our growth continues with the acquisition of our neighbouring William Charlton Village which transferred on 30 August 2016 to the Company, Allambie Heights Village Ltd.

### Residential Aged Care Facility

Allambie Heights Village Ltd. publish information on accommodation prices and costs for our residential aged care facility. We make ourselves available to meet with prospective residents and their families and explain the complex financial obligations, fees and charges involved and help them understand and guide them through the process.

During the 2015-2016 financial year we had fourteen new permanent admissions to our residential aged care facility. Accommodation Payments totalled \$7,700,000 and were made up of a mix of Refundable Accommodation Deposits (RAD) and Deferred Accommodation Payments (DAP). In accordance with the July 2014 regulations, there are no retentions charged on accommodation payments and the full accommodation payment, RAD component is refundable.

Respite care has also been provided throughout the year which included care to our village residents. We are proud that unlike many of our competitors, we have always provided residents with single spacious en-suite rooms.



*The Honorable Tony Abbott MP*



*Michael Regan, Mayor of Warringah, Kylie Ferguson, Deputy Mayor of Pittwater, Ciarán Foley, Jean Hay, Mayor of Manly*



*Ciarán Foley & the Resident's Committee*



We take pride in providing excellent quality care in a happy, homely environment. This is delivered by an outstanding team of staff that I am proud to work with.

## Retirement Village

It has been another successful year in our retirement village. The properties cost an average of \$37,000 each for a full renovation including a new kitchen and bathroom. During the financial year we had five apartments occupied by new residents. We currently offer 12% of our apartments as rentals.

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

Not to be out done this year, we once again had the good fortune of celebrating the 100th birthday of one of our village residents. What an amazing age to reach living in your own home. High Tea was served in our Village Dining Room, a wonderful afternoon with over 50 people enjoying the event.

The Residents Social Committee continues to refresh the social program and new activities have been introduced to offer more variety and meet the needs of our residents. Our existing recreation and social activity program include:

- happy hours
- BBQs
- art group

- movie nights
- relaxation and exercise program
- walking group

Our Village Bus has covered many roads throughout the year at the capable hands of our much appreciated, volunteer drivers. Residents have enjoyed many social bus outings and weekly Shopping Trips throughout the year.

We have a wonderful mix of residents aged between 59 and 92, with an average age of 78. They compliment each other and bring immense value to the village. Many of our village residents volunteer in the residential aged care facility sharing their talents, skills and life experiences with others. There is an abundance of enthusiasm visible from our wonderful volunteers.

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. Quarterly WH&S staff meetings are held and an Annual WH&S site audit is performed each year with outcomes completed in an efficient manner.

We remain competitive and a clear choice option to people wishing to be cared for and accommodated from the Northern Beaches and beyond.

**Patricia Cearnès**  
Retirement Living Manager



Melbourne Cup High Tea



Staff & Residents celebrate. Happy 50th!



Berenice Halloran, Resident



## Report of the Recreational Activities and Volunteer Co-ordinator



*Virginia Stapleton,  
Recreational Activities & Volunteer Co-ordinator*

I am pleased to announce that our team of volunteers has increased to 30 this year, a massive increase from 22 last year, providing a total of 1,400 hours of volunteering annually.

We are providing 20 activities on a weekly basis which includes 2 bus outings and an array of interesting and stimulating sessions including trivia, carpet bowling, bingo, movie nights, reminiscing, knitting/craft & card-making, garden walks, dog therapy, brain teasers/category games, computer lessons & Chinese meditation to music.

We have also plans to engage in more outdoor activities during the warmer months and have organised activities such as picnics, outdoor sing-a-longs, and sunshine therapy/garden walks.

We continue to hold regular Catholic Mass and Anglican and German Lutheran Services which are all held in our Community Hall.

Our residents enjoy one live concert or performance every month and this increases as we approach the Christmas period when we are entertained by several primary school choirs who visit and sing Christmas Carols. Our special thanks to Krissy's Feathered Friends, Loosely Woven, The Happy Wanderers,

Kindi Farm, Belrose Public School Children's Choirs, Allambie Heights Public School Children's Choirs, That Couple, Phil Allen and his handbells and Siegfried Ackermann who has played his accordion on many occasions for our residents.

The bus outings continue to be a very popular activity and we thank our regular drivers Bob Willatt and Ruskin Spiers for their commitment and selfless giving of their time. Bus outings have included visits to Bobbin Head, Centennial Park, Palm Beach, Bondi Beach, Ramsgate, La Perouse, Akuna Bay, North Head and Balls Head. The bus is always at full capacity!

We also thank Harold Hanlen for his dedication to the retirement village residents' weekly shopping trips and also to Bruce Cohn who often fills in when the drivers are away.

The weekly knitting and craft session is ever expanding thanks to our wonderful volunteers Judy Bendall & Marea Turnbull. The residents are knitting small squares which are sewn together to form a large blanket which we will donate to a charity called 'Wrapped with Love'. We completed our 2nd blanket during the year which was a huge achievement for our knitting residents. Well done ladies!

Trivia is continuing to be hugely popular with the residents! We now have 3 trivia sessions per week (as requested by the residents) which aims to stimulate memory function. The residents are always finding new, innovative ways to get the right answers (through song or poetry) which is always so encouraging. Thank you to all our volunteers.

**Virginia Stapleton  
Recreational Activities and Volunteer Co-ordinator**



*Our wonderful volunteers*



# Annual Financial Report

## Directors Report

Your Directors present their report on the Company for the year ended 30 June 2016.

### 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 Cameron Harris

##### *Director*

Bachelor of Economics, University of Sydney. Graduate Diploma in Applied Finance, Securities Institute of Australia. Director and Member of the Board since 2015. Head of Direct Sales for Macquarie Bank's Personal Banking division having worked at Macquarie for 12 years and in Financial Services for 20 years. Areas of expertise include Asset Management, Equities and Personal Banking.

## 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](http://www.abn.business.gov.au).



## Annual Financial Report

### 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 Health 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 approved places);
- 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 2015-2016, 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 approved places. 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 11 meetings of Directors were held. Attendances by each Director were as follows:

	Number eligible to attend	Number attended
Ms Wendy Kramer	11	10
Mr Wolfgang Müller	11	11
Mr Gerd Wilmer	11	8
Mr Ben Bowley	11	7
Mr Cameron Harris *	10	8
Mr Wolfgang Mitterhuemer *	11	0

\* Mr Cameron Harris joined the Board during 2015.

\* Mr Wolfgang Mitterhuemer 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 2016, the collective liability of the members was \$520.00 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 16.

**Wendy Kramer**  
**President, Board of Directors**  
 15 August 2016





## Auditor's Declaration of Independence

Auditor's Declaration of Independence



SCS AUDIT &  
CORPORATE SERVICES <sup>PTY</sup> 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 2016, 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

15 August, 2016.

Liability limited by a scheme approved under Professional Standards Legislation.



## Statement of Comprehensive Income

	Note	2016	2015
		\$	\$
<b>Revenue and Other Revenue</b>	4	<b>4,298,993</b>	4,612,421
Catering	5	(437,339)	(430,711)
Depreciation	5	(204,364)	(190,128)
Employment Expenses	5	(1,778,637)	(1,650,237)
Insurance	5	(74,677)	(84,225)
Repairs and Maintenance	5	(50,209)	(75,352)
Other operating expenses	5	(653,985)	(626,008)
<b>Profit for the year</b>		<b>1,099,782</b>	1,555,760
Other comprehensive income:		-	-
<b>TOTAL COMPREHENSIVE PROFIT FOR THE YEAR</b>		<b>1,099,782</b>	1,555,760

Statement of Comprehensive Income



## Statement of Financial Position

Statement of Financial Position

	Note	2016	2015
		\$	\$
<b>Current Assets</b>			
Cash and cash equivalents	7	2,038,650	1,399,937
Receivables	8	266,393	75,754
Financial assets at fair value	9	18,090,130	18,395,373
Prepayments and deposits		44,495	318,226
<b>Total Current Assets</b>		<b>20,439,668</b>	<b>20,189,290</b>
<b>Non-Current Assets</b>			
Property plant and equipment	10	16,345,125	16,065,824
Intangibles	11	1,400,000	-
<b>Total Non-Current Assets</b>		<b>17,745,125</b>	<b>16,065,824</b>
<b>TOTAL ASSETS</b>		<b>38,184,793</b>	<b>36,255,114</b>
<b>Current Liabilities</b>			
Payables	12	28,517,557	27,721,277
Provisions	13	126,061	106,563
<b>Total Current Liabilities</b>		<b>28,643,618</b>	<b>27,827,840</b>
<b>Non-Current Liabilities</b>			
Provisions	13	82,169	68,050
<b>Total Non-Current Liabilities</b>		<b>82,169</b>	<b>68,050</b>
<b>TOTAL LIABILITIES</b>		<b>28,725,787</b>	<b>27,895,890</b>
<b>NET ASSETS</b>		<b>9,459,006</b>	<b>8,359,224</b>
<b>Equity</b>			
Accumulated funds	14	5,176,141	4,076,359
Asset revaluation reserve	15	4,282,865	4,282,865
<b>TOTAL EQUITY</b>		<b>9,459,006</b>	<b>8,359,224</b>



## Statement of Changes in Equity

	Note	2016	2015
		\$	\$
<b>Total equity at the start of the financial year</b>		<b>8,359,224</b>	<b>6,803,464</b>
Gain from asset revaluation		-	-
Total comprehensive income for the year		1,099,782	1,555,760
<b>TOTAL EQUITY AT END OF FINANCIAL YEAR</b>		<b>9,459,006</b>	<b>8,359,224</b>

Statement of Changes in Equity



## Statement of Cash Flows

### Statement of Cash Flows

	Note	2016	2015
		\$	\$
<b>Cash flow from operating expenses</b>			
Receipts from residents and government		3,643,595	3,407,891
Interest and dividends received		590,580	689,747
Payments to suppliers and employees		(3,182,081)	(3,109,797)
<b>Net cash provided by (used in) operating activities</b>	16	<b>1,052,094</b>	<b>987,841</b>
<b>Cash flow from investing activities</b>			
Purchase of property plant and equipment		(1,610,933)	(176,377)
Realisation (purchase) of investments		392,280	(1,991,904)
<b>Net cash provided by (used in) investing activities</b>		<b>(1,218,653)</b>	<b>(2,168,281)</b>
<b>Cash flow from financing activities</b>			
Net Proceeds from tenants deposits		805,272	1,010,353
<b>Net cash provided by (used in) financing activities</b>		<b>805,272</b>	<b>1,010,353</b>
Net increase (decrease) in cash held		638,713	(170,087)
Cash at beginning of the Year		1,399,937	1,570,024
<b>Cash at end of year</b>	17	<b>2,038,650</b>	<b>1,399,937</b>



# Notes to and Forming Part of the Accounts

For the year ended 30 June 2016

1. Summary of Significant Accounting Policies
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Notes to and Forming Part of the Accounts



## Notes to and Forming Part of the Accounts

### 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 2016 (2015: \$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 21 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 21 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 2016.

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



## Notes to and Forming Part of the Accounts

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) Disclosures

Allambie Heights Village Ltd. has recorded Resident payments and resident entry contributions as current liabilities for the current financial year ended 30 June 2016 in accordance with Australian Accountancy Standard AASB 101 (69).

The comparatives for 30 June 2015 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

	2016	2015
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	2,038,650	1,399,937
Receivables	266,393	75,754
Investments	18,090,130	18,395,373
<b>Financial Liabilities</b>		
<b>PAYABLES</b>	<b>28,517,557</b>	<b>27,721,277</b>

### 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. Collectibility 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 in investment income amounting to \$655,104 was recorded (2015: \$1,215,598 Gain).

### c) Liquidity risk

The Company's exposure to liquidity risk is considered to be low. Liquidity risk is the risk that Alambie 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.

	Maturity Dates			
	Amount Due	< 1 year	1-5 years	> 5 years
<b>30th June 2016</b>				
<b>Financial Assets</b>				
Cash	2,038,650	2,038,650	-	-
Receivables	266,393	266,393	-	-
<b>Financial Liabilities</b>				
Creditors	260,970	260,970	-	-
Contributions and payments	28,256,587	28,256,587	-	-
<b>30th June 2015</b>				
<b>Financial Assets</b>				
Cash	1,399,937	1,399,937	-	-
Receivables	75,754	75,754	-	-
<b>Financial Liabilities</b>				
Creditors	271,042	271,042	-	-
Contributions and payments	27,450,235	27,450,235	-	-



## Notes to and Forming Part of the Accounts

Interest Rate Exposure	Interest Rate	Fixed Rate	Variable Rate	Non-interest Bearing
<b>30th June 2016</b>				
Cash	0.01%	-	2,038,650	-
Receivables	5.00%	266,393	-	-
Creditors	-	-	-	260,970
Contributions and payments	-	-	-	28,256,587
<b>30 June 2015</b>				
Cash	0.01%	-	1,399,937	-
Receivables	5.00%	75,754	-	-
Creditors	-	-	-	271,042
Contributions and payments	-	-	-	27,450,235

**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 2015. 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 +/- 1% 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 out below.

	Carrying Amount	+/- 2% Profit
<b>2016</b>		
Cash and cash equivalents	2,038,650	40,773
BT Portfolio - Cash Account	2,500	50
LLL Account	19,423	388
<b>2015</b>		
Cash and cash equivalents	1,399,937	27,999
BT Portfolio - Cash Account	3,497	70
LLL Account	18,805	376



### 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 2016 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
<b>2016</b>			
Interest Bearing Securities	2,588,675	+/- 1%	25,887
Term deposits and Cash	9,081,054	+/- 1%	90,811
Global & Australian Equities	5,615,234	+/- 10%	561,523
Property	804,338	+/- 20%	160,868
<b>2015</b>			
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

### 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.



## Notes to and Forming Part of the Accounts

### 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 2016, 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 2016.

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

	2016	2015
<b>Income from residents</b>	\$	\$
Retirement Village and RACF fees	1,787,811	1,594,195
Maintenance and Services fees	264,612	259,058
<b>Other income</b>		
Government subsidies	1,527,622	1,309,660
Fundraising and donations	12,533	21,195
Kitchen income	12,321	13,414
Kiosk income	-	771
Other income	38,990	198,530
Investment Income	655,104	1,215,598
	<b>4,298,993</b>	<b>4,612,421</b>



## 5. Expenses from Ordinary Activities

Notes to and Forming Part of the Accounts

	2016	2015
Accounting services	36,824	36,950
Advertising	11,950	7,072
Audit fees	15,708	15,917
Bank fees	257	628
Cleaning, waste disposal, medical and care supplies	87,524	73,622
Contractors	58,313	66,005
Depreciation	204,364	190,128
Donations	4,000	1,500
Electricity and gas	44,672	66,033
Function and meeting expenses	22,845	2,268
Insurance	29,375	29,767
Interest Paid	19,106	8,169
Kiosk expenses	-	238
Kitchen expenses	437,339	430,711
Legal and accreditation fees	3,615	3,287
Loss on disposal	1,246	-
Memberships and subscriptions	2,907	5,735
Motor vehicle expenses	12,933	14,989
Payroll services	12,453	12,336
Postage, printing, stationery and software	21,665	26,393
Rates and crown lease	29,944	28,295
Recreational activities	2,450	1,426
Repairs and maintenance	50,209	75,352
Salaries and salary sacrifice	1,778,637	1,650,237
Security and fire monitoring	9,181	37,529
Software/ICare	3,728	3,585
Staff Recruitment	4,224	1,818
Staff training	6,604	6,632
Strategic Development	26,404	-
Subsidies Training & Support	6,000	11,000
Sundry expenses	13,214	11,623
Superannuation	170,030	157,547
Telephone	9,881	9,110
Water and sewage	16,307	16,301
Workers compensation	45,302	54,458
	<b>3,199,211</b>	<b>3,056,661</b>



## Notes to and Forming Part of the Accounts

<b>6. Investment Income (Loss)</b>	<b>2016</b>	<b>2015</b>
Interest and dividends received	640,946	679,126
Gain / Loss on investments	88,283	592,008
Investment advisor fees	(74,125)	(55,536)
	<b>655,104</b>	<b>1,215,598</b>
<b>7. Cash</b>		
Westpac trading account	568,682	89,827
Westpac investment account	1,441,405	1,299,620
Petty cash	28,563	10,490
	<b>2,038,650</b>	<b>1,399,937</b>
<b>8. Receivables</b>		
Residents payments in arrears	13,493	319
Net GST receivable	138,449	11,350
Investment income receivable	114,451	64,085
	<b>266,393</b>	<b>75,754</b>
<b>9. Financial Assets at Fair Value</b>		
Mirvac Property Trust (at current value)	70,924	63,760
Managed Asset Trusts (at current value)	10,443,994	8,469,595
Term Deposits	7,645,316	9,932,740
LLL investment account	19,423	18,805
Loan to Residents - Petty Cash Float	10,000	10,000
Provision for diminution in investments	(99,527)	(99,527)
	<b>18,090,130</b>	<b>18,395,373</b>
<b>10. Property, Plant &amp; Equipment</b>		
Buildings at 2013 valuation	15,335,000	15,335,000
Additions - at cost	311,604	221,002
Less Accumulated Depreciation	(473,193)	(312,258)
<b>Buildings at 2013 valuation and cost</b>	<b>15,173,411</b>	<b>15,243,744</b>
Plant & Equipment at 2013 valuation	631,100	631,100
Additions - at cost	162,718	122,478
Less Accumulated Depreciation	(54,054)	(25,739)
<b>Plant &amp; Equipment at 2013 valuation and cost</b>	<b>739,764</b>	<b>727,839</b>
Motor Vehicles at 2013 valuation	46,000	46,000
Additions - at cost	103,064	49,367
Less disposal	(49,867)	-
Less accumulated depreciation	(23,360)	(21,822)
<b>Motor Vehicles at 2013 valuation and cost</b>	<b>75,837</b>	<b>73,545</b>
Work in Progress	356,113	20,696
<b>Total Property, Plant &amp; Equipment</b>	<b>16,345,125</b>	<b>16,065,824</b>



### 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. Intangibles

Approved places at Cost

	2016	2015
Approved places at Cost	1,400,000	-
	1,400,000	-

During the year the Company acquired a number of approved places as a strategic investment.

### 12. Creditors and Borrowings

Current

Residents' deposits

28,256,587 27,450,235

Residents' fees received in advance

97,634 84,753

Payables and accruals

163,336 186,289

28,517,557 27,721,277

Non-Current

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 Health 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.



## Notes to and Forming Part of the Accounts

<b>13. Provisions</b>	<b>2016</b>	<b>2015</b>
Current		
Provision for annual leave	126,061	106,563
Non-current		
Provision for long service leave	82,169	68,050
	<b>208,230</b>	<b>174,613</b>
Movements in provisions		
i) Annual leave		
Carrying amount at the beginning of the year	106,563	99,614
Additional provision	19,498	6,949
Carrying amount at the end of the year	<b>126,061</b>	<b>106,563</b>
ii) Long Service Leave		
Carrying amount at the beginning of the year	68,050	82,205
Additional provision	14,119	(14,155)
Carrying amount at the end of the year	<b>82,169</b>	<b>68,050</b>
<b>14. Accumulated Funds</b>		
Accumulated funds at beginning of period	4,076,359	2,520,599
Transfer from Capital Works Fund	-	-
Profit /(Loss) From Ordinary Activities	1,099,782	1,555,760
Accumulated funds at end of period	<b>5,176,141</b>	<b>4,076,359</b>
<b>15. Reserves</b>		
The asset revaluation reserve is used to record increments and decrements in the value of non-current assets.		
Balance at beginning of year	4,282,865	4,282,865
Gain from revaluation	-	-
Balance at end of year	<b>4,282,865</b>	<b>4,282,865</b>
<b>16. Reconciliation of Cash Flow from Operations with Operating Profit</b>		
Operating Profit (Loss)	1,099,782	1,555,760
<b>Non-Cash Flows in Operating Profit</b>		
Depreciation	204,364	190,128
Loss on disposal	1,246	-
Unrealistic investment losses (gains)	(88,283)	(592,007)
<b>Changes in Assets and Liabilities</b>		
Decrease (increase) in Receivables	(56,412)	21,258
Decrease (increase) in Prepayments	2,079	(219,672)
Decrease (increase) in Creditors and Provisions	(110,682)	32,374
<b>CASH FLOW FROM OPERATIONS</b>	<b>1,052,094</b>	<b>987,841</b>

**17. 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:

	2016	2015
Cash on Hand and at Bank	3,038,650	1,399,937
	<b>3,038,650</b>	<b>1,399,937</b>

**18. Capital Expenditure Commitments**

	2016	2015
Estimated capital expenditure contracted for at the reporting date, but not provided for, payable not later than one year	1,000,000	50,000
later than one year and not later than five years	4,000,000	250,000
later than five years	<b>5,000,000</b>	<b>300,000</b>

**19. Auditor's Remuneration**

Amounts received or due and receivable by the auditor:

	2016	2015
Auditing the financial report for the Company	14,500	14,500
	<b>14,500</b>	<b>14,500</b>

**20. 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
<b>Revenue</b>	2016	2016	2016
Government Subsidies	-	1,527,622	-
Resident Fees	356,580	1,120,795	-
Capital Grants	-	-	-
Retentions	482,277	92,770	-
Other	382,885	397,656	(61,592)
<b>Total Revenue</b>	<b>1,221,742</b>	<b>3,138,843</b>	<b>(61,592)</b>
<b>Expenses</b>			
Employee Expenses	(298,809)	(1,479,828)	-
Interest	-	(19,105)	-
Depreciation	(99,670)	(104,694)	-
Other	(268,035)	(997,949)	68,879
<b>Total Expenses</b>	<b>(666,514)</b>	<b>(2,601,576)</b>	<b>68,879</b>
<b>SEGMENT RESULT</b>	<b>555,228</b>	<b>537,267</b>	<b>7,287</b>



## Notes to and Forming Part of the Accounts

Notes to and Forming Part of the Accounts

	Retirement Village	Residential Aged Care Facility	Non-Segment
<b>Assets</b>	2016	2016	2016
Current Assets	389,391	399,029	19,651,248
Non-Current Assets	7,794,240	9,698,391	252,494
	<b>8,183,631</b>	<b>10,097,420</b>	<b>19,903,742</b>
<b>Liabilities</b>			
Current Liabilities	(11,779,553)	(16,864,065)	-
Non-Current Liabilities	(16,434)	(65,735)	-
	<b>(11,795,987)</b>	<b>(16,929,800)</b>	<b>-</b>
<b>Other segment information</b>			
Accommodation Payment Liabilities	-	16,574,043	-
Entry Contribution Liabilities	11,600,693	-	-
Borrowings	-	-	-
	Retirement Village	Residential Aged Care Facility	Non-Segment
<b>Revenue</b>	2015	2015	2015
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
<b>Total Revenue</b>	<b>1,483,213</b>	<b>3,029,727</b>	<b>99,481</b>
<b>Expenses</b>			
Employee Expenses	(272,471)	(1,377,766)	-
Interest	-	(8,169)	-
Depreciation	(94,767)	(95,361)	-
Other	(266,577)	(995,585)	54,035
<b>Total Expenses</b>	<b>(633,815)</b>	<b>(2,476,881)</b>	<b>54,035</b>
<b>SEGMENT RESULT</b>	<b>849,398</b>	<b>552,846</b>	<b>153,516</b>



	Retirement Village	Residential Aged Care Facility	Non-Segment
	2015	2015	2015
<b>Assets</b>			
Current Assets	74,563	77,656	20,037,071
Non-Current Assets	7,803,054	8,262,770	-
	<b>7,877,617</b>	<b>8,340,426</b>	<b>20,037,071</b>
<b>Liabilities</b>			
Current Liabilities	(12,016,385)	(15,811,455)	-
Non-Current Liabilities	(13,610)	(54,440)	-
	<b>(12,029,995)</b>	<b>(15,865,895)</b>	<b>-</b>
<b>Other segment information</b>			
Accommodation Payment Liabilities	-	15,527,694	-
Entry Contribution Liabilities	11,840,889	-	-
Borrowings	-	-	-

## 21. Fundraising

Information furnished under the Charitable Fundraising Act 1991.

	2016	2015
<b>Fundraising monies received</b>		
Donations	12,533	21,195
Fundraising	-	-
	<b>12,533</b>	<b>21,195</b>
<b>Costs incurred in fundraising</b>	-	-



## Director's Declaration

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The Directors of the Company declare that:

The Annual Financial Report and Notes, as set out on pages 13 to 35 are in accordance with the Corporations Act 2001, including

- a. Giving a true and fair view of the financial position as at 30 June 2016 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**  
**President, Board of Directors**  
15 August 2016



# 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 30<sup>th</sup> June 2016

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

### INDEPENDENT AUDITORS 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 30<sup>th</sup> June 2016 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

15 August, 2016.





ALLAMBIE HEIGHTS  
*Village*

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