



ALLAMBIE HEIGHTS  
*Village Ltd.*

**Retirement Villages & Residential Aged Care Facility**



**2017-2018 Annual Report**



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## Key Messages

- *Our Business is Protection, providing Quality Care and Quality Accommodation.*
- *Our Residents and Staff represent 33 Nations of the World.*
- *Our Staff come from 14 Nations of the World.*
- *An 'A Classification' 9 years in a row for our Catering Services.*
- *Let Us Always Aim for the Highest Standards and Strive to be Better.*
- *EBITDA of \$2,488,645, Net Profit of \$2,247,478 and Equity of \$13.8 million.*
- *"Anything is Possible, Don't Think Limits." (Usain Bolt)*



## Report of the President



*Wendy Kramer, President*

Once again, over the past twelve months, Allambie Heights Village Ltd. has not stood still. It has been a year of consolidation and progress, a review of our services, sad farewells, welcomes and the continuance of our plans for the future.

It is very important that having established an efficient business, we should look to the opportunities that may arise as other Operators have difficulties staying viable with the ever-changing Government regulations. We should try to be proactive with politicians to keep Aged Care and Retirement Village living on their agenda and to provide a voice for improvement.

We have maintained a very high accreditation standard in all areas including in our catering services. Staff retention remains good with no WH&S issues. I am convinced that if you take good care of the employees, they will take good care of residents. The management team will continue to demonstrate due diligence in safe practices and reporting.

Resident occupancy levels have remained high again this year with ongoing interest from people needing accommodation. It is important to note that as the population ages, the profile and needs of people entering our services are constantly changing and the age of entry increasing.

For the continued marketing of Allambie Heights Village, Retirement Village, and the refurbishment of vacated apartments, I express the Board's gratitude to Patricia Cearnas, Retirement Living Manager.

It has been a pleasure for me to hear glowing praise for Allambie Heights Village Ltd.'s services from outsiders and relatives who have very positive impressions of our Residential Aged Care Facility and the care offered to their loved ones. For this positive view, I thank Jim Murray, our Facility Manager and all of his staff for their tireless accurate and caring attitudes. Their dedication to the philosophy of our Company is commendable. To Jim, the Board thanks you for your professionalism and caring attitude to those in your care.

We are fortunate to have a wonderful army of volunteers who donate their time to improve the social life of our residents with a wide variety of activities.

The Residents Committee of Allambie Heights Village, Retirement Village continues to provide the correct pathway for information and questions raised by individuals. I welcome new Committee Members this year.

To the Housekeeping and Maintenance Staff, thank you for keeping our services spic and span.

We have once again held information sessions, the Facility Manager having arranged these for relatives of residents of our residential aged care facility and we have had invited speakers, Dr Theme Garagounis to speak about dementia and The Honourable Brad Hazzard MP, NSW Minister for Health and Minister for Medical Research to speak about a range of health, aged care, retirement village living and other matters. The excellent attendance demonstrates the interest for such informative meetings.

The Board continues to meet on a monthly basis. The Board's role is to oversee the business and management of the Company in the capable hands of the Chief Executive Officer. It is also to establish the vision and strategic direction of the future Allambie Heights Village Ltd. and to support the management team in the implementation of the vision.



The Investment sub-committee of the Board continues to meet regularly. It monitors the performance of our selected financial advisors/wealth managers. In the current volatile financial times, we can again state that the Company is in a stable financial position thanks to the diligence of Ciarán Foley and his team and the Treasurer, Gerd Wilmer.

As President of the Board, I express my gratitude to my fellow Directors for their continued voluntary service in the governance of the Company and the tireless input of their expertise. Together, we have tackled the past challenges and are enthusiastic to further improve the development of Allambie Heights Village Ltd.

The Management Team and Directors have been in negotiations with all of the Government bodies requiring certification in the many areas needed to build on our acquired land. It is hoped that the architects and builders can commence construction in the not too distant future. This progressive attitude indicates that your Management Team does not rest up but continues to plan for the changing accommodation requirements of an ageing population.

In planning any expansion, the Board and Management are always conscious that it is not only bricks and mortar that creates a retirement setting but residents and staff working together in an environment of care for one another.

In retrospect, a year is a very short time span to achieve all the goals that the Board and Management set out. In preparation for expansion opportunities, we take the approach with a view to what is practical and achievable on a financial basis.

For all of the intensive work required behind the scenes, I would like to express the Board's appreciation to Ciarán Foley. Over the years, Ciarán changed a small cottage industry into the vibrant Company we have today. Ciarán has an infectious optimism and a clear view for the future of our Industry. He possesses endless energy and daily enthusiasm. Thank you Ciarán from the Board and the many people who make up our Company.

Let us all walk together into the next year on life's journey and not look back except to learn. We should never underestimate the potential and power of the human spirit. A good reputation is a Company's greatest asset. I thank all those working and residing in our growing communities for making us 'The Best Kept Secret on the Northern Beaches'.

**Wendy Kramer**  
President, Board of Directors



*Ciarán Foley, Wendy Kramer & The Hon. Brad Hazzard MP, Minister for Health and Minister for Medical Research.*



*Cameron Harris and Sigi.*



## Report of the Chief Executive Officer



*Ciarán Foley, Chief Executive Officer*

Growth, development, high occupancy rates, quality care, quality accommodation, strong financial performance, respected reputation and increasing our State and National profile. These are just some of the hallmarks of an effective Company that represent the past year 2017 - 2018.

At the centre of all of this has been our residents. I thank all of you for choosing to live in our growing communities. There will come a time soon when we will no longer be 'The Best Kept Secret on the Northern Beaches'. I appreciate all that our residents bring to us and I am most proud that our residents are from 27 nations of the world. When we add the nationalities of our staff, both our residents and staff represent 33 nations of the world. What a remarkable journey we have made as a Company from our humble beginnings in 1966 consisting then of an almost single ethnic identity. We now represent the very best of diversity and multi-culturalism, multi-ethnicity and multi-denominations.

*'Our Residents and Staff represent  
33 Nations of the World'*

### Occupancy and Growth

I am delighted to report that Allambie Heights Village, Retirement Village is 100% full, Allambie Heights Village Residential Aged Care Facility is averaging

96% occupancy with targets of achieving 98-100% occupancy on a consistent basis and William Charlton Village, Retirement Village is at 96%, soon to be 100% following a program of renovation of many apartments.

As a Company, we are acutely aware of the need to grow to meet customer demand. Our acquisition of the William Charlton Village site in late 2016 was to achieve our strategy for such growth. In this regard, we have presented our Development Application for 24 premium apartments and amenities that will be the talk of the Northern Beaches and beyond once built. We aim with Development Consent achieved in 2019 to complete a building project by 2020, a 16 month building program. Our vision of how we believe people will wish to live over the next 30 years will be embedded in this Village, its presentation, its design, its smart technological capability, its environment sustainability, its beautiful location with views of the Pacific Ocean, Manly Dam Reserve, the City and Bondi Junction.

Our renovation work on William Charlton Village buildings, facades and gardens, a separate project to be completed by early 2019 will provide a marketing and promotional presence on the Allambie Road for our entire Company.

We continue to maintain the presentation of our Allambie Heights Village, Retirement Village and Residential Aged Care Facility and gardens to high standards. Our many visitors comment positively about how well our accommodation and surrounds look and more importantly about the great atmosphere which is a people-driven quality.

We look forward to an exciting and busy year ahead.

### Getting it Right

Our consistently high occupancy rates reflect the quality of care and quality accommodation that is our Company brand.

*'Quality Care and Quality Accommodation'*

These are driven by our great team of staff and management supported by our Board of Directors and Company Members. To all of you, thank you is insufficient wording to represent my heartfelt



appreciation. It is an honour to be part of this great Company. Let us always aim for high standards and strive to be better.

During the year, we introduced some new staff to our team. This has involved important investment in human resources, our most valuable asset to service and care for our most valuable residents. We have increased staffing levels and hours in our Residential Aged Care Facility, increased nursing hours and extended our recreational activity program over 7 days until 9.00pm. Our staff come from 14 nations of the world.

### *Our Staff Come from 14 Nations of the World.*

Our food remains outstanding. Our nursing and care staff, housekeeping, maintenance, front of office, accounting and management teams are all functioning at high levels of performance supported in their work with general and specific training.

We have invested significantly in information and smart technology during the year to improve time and workload efficiencies so that we benefit our residents. This has involved new engagement with Telstra Health's iCare Version 7 (software that we use for reporting on resident care); Telstra Medication Management which is linked directly to our off-site Pharmacist; Telstra Resident Manager which will streamline reception enquiries and communication and PainChek to enhance our diagnosis, prognosis and treatment of residents who have difficulties communicating such as people with dementia and who may be experiencing pain. We have increased our physiotherapy hours considerably.

### *'Let Us Always Aim for High Standards and Strive to be Better'*

We are a responsive, resident-focussed Company with major points of difference to our competitors and many valuable offerings. We continue to offer affordable accommodation options to our increasing number of residents.

### **Strong Financial Performance**

I am very pleased to report a record financial performance for 2017-2018, the best in the history of the Company.

We are reporting an EBITDA of **\$2,488,645** with a Net Profit of **\$2,247,478** and Equity of over **\$13.8 million**.

Remember, my staff team all contribute to our performance. The money that we receive from our residents is protected under the responsible and skilled governance by our Board Directors, management and also by our wealth advisors.

We work hard to make our money and we want that money to work hard for us. We have never defaulted on any refund to a resident or their estate, we are highly regulated and transparent in our reporting and this should be reassuring to all parties.

Our high occupancy levels have resulted in increased operational revenue during the year and our attention to cost controls have been important drivers for our financial performance.

Our investment portfolios have also performed very well achieving approximately 13.3% and 13.2% respectively.

Compared with last year's results, this year:

- Total Equity increased by 24% (24.10%);
- Resident Revenue increased by 5% (5.14%);
- Net Profit increased by 34% (34.49%);
- Investment Income increased by 48% (48.30%).

We forecast improved operational revenue uplifts for the next financial year as we maximise occupancy levels. We project a decline in investment portfolio revenue and capital growth reflecting a projected downturn in global equity markets.

Our cash reserves, our strong and consistent financial performance, our assets, plant and equipment valuation and our management fundamentals make us attractive to the banks who are supportive of our capital development plans. We are well placed as a Company in our ability to discuss best terms and conditions for debt to fund some of our plans and its repayment while continuing to protect residents' funds.

I thank the Board Directors, my finance team and my entire staff team for your individual contribution to our financial performance this year.

***'EBITDA of \$2,488,645, Net Profit of \$2,247,478 and Equity of over \$13.8 Million'***



## Increasing Our State and National Profile

It was a pleasure to offer to our Company Members, residents, relatives, staff, volunteers and corporate partners, opportunities to come together during the year. We have never been as busy.

Our 'Lecture on Dementia' turned our community hall at Allambie Heights Village into a film studio and the quality of the edited videos are on our website for all to visit and see.

Our 'Audience with The Honourable Brad Hazzard, MP for Wakehurst, Minister for Health and Minister for Medical Research' was a delightful, entertaining and factual question and answer engagement enjoyed by all.

We partnered with the Macular Disease Federation of Australia by offering advice on their training video and staff training resource material which has been circulated to residential aged care facilities and to every staff member potentially across Australia who work with older persons. While our profile is enhanced nationally and professionally, we are proud of the contribution we are making to many more older persons in addition to the residents to whom we offer our care.

I met with Mayor Michael Regan, Northern Beaches Council and his Acting Chief Executive Officer and presented our Company as a responsible builder and creator of affordable accommodation options.

We will maintain our presence in promoting among political representatives the need for a fair and responsible focus of resources, reduction in bureaucratic red-tape and opportunities to collaborate to find solutions regarding our Industries, our communities, our staff workforce challenges and all of our people. And I encourage others to do so too.

It has been an amazing year for our Company and I thank our residents, relatives, corporate partners, contractors, volunteers, Members and Directors for all that you offer to our great Company.

To my staff team, all of you, heartfelt thanks. You make us better and I look forward to being part of what we do together in the protection of our residents and our Company resources, to exploring the future and imagining what we can do to enhance lives and build caring and wonderful communities and workplaces.

In the words of the fastest human ever, Usain Bolt, 'Anything is possible, don't think limits'

*'Anything is Possible, Don't Think Limits'*

**Ciarán Foley**  
Chief Executive Officer



*Margot (left) and Patricia, St. Patricks Day.*



*James Boyes, Chef Manager (left), James Fearnley, Catering Assistant, & Ciarán Foley, Chief Executive Officer.*



## Report of the Treasurer



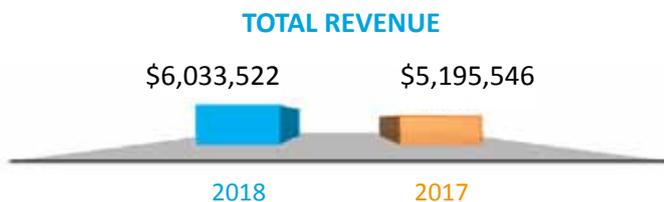
*Gerd Wilmer, Treasurer*

It is my pleasure to present the Annual Report for the year ended 30 June 2018 for Allambie Heights Village Ltd.

The financial result for this financial year has increased from an EBITDA in the previous year of \$1,893,710 to \$2,488,645 this year. The Net Profit has increased from \$1,671,070 last year to \$2,247,478 this year.

I summarise some highlights of the Annual Financial Report below.

Total Revenues increased by \$837,976 from \$5,195,546 to \$6,033,522 as a result of Investment Income and Operational Income from Residents.



Revenues were again strong in our Residential Aged Care Facility with increases in ACFI (Medicare Payments) government funding for residents. Higher dependant residents of the Residential Aged Care Facility resulted in increases in revenue. Our Operating Costs increased by 7.4% compared with last year due to higher expenses associated with higher dependent residents. Revenues were also strong in both Retirement Villages.

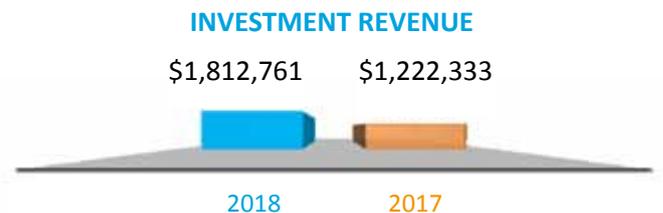
The ACFI Medicare Payments resulted in an increase in ACFI Revenue by 10.0%, \$1,628,953 compared with previous year \$1,481,103.



Operational Revenue has increased by 6.2%, \$4,220,761 compared with previous year \$3,973,213.



Investment revenue has increased from \$1,222,333 in FY 2017 to \$1,812,761 in FY 2018. This represents an approximate 13% return on the average invested funds (combined Investments) over the period compared with 8% for the previous year. Protecting Capital continued to be a requirement during 2018. The Board continues to monitor the performance of the investment portfolio which is managed by our wealth advisers to decrease risk and to increase performance.



Operational Revenue amounted to \$4,220,761 and Investment Income amounted to \$1,812,761 which consists of Interest/Dividends on Investments of \$498,757, Capital Growth on Investments \$1,281,790 and Interest on Cash \$32,213. 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 Villages. It also demonstrates the importance of strong cashflows when investment markets are volatile.

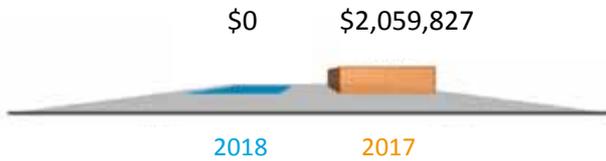


## OPERATIONAL VS INVESTMENT



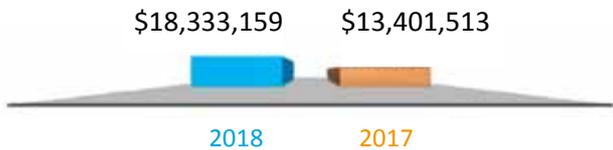
Our term deposit strategy changed to reflect market conditions and as a consequence we did not hold Term Deposits. Funds were transferred to our Managed Asset Portfolios.

## TERM DEPOSITS



Managed Assets held in our Managed Assets Portfolio in 2018 totalled \$18,333,159 compared with previous year of \$13,401,513, an increase of 36.8%.

## MANAGED ASSETS

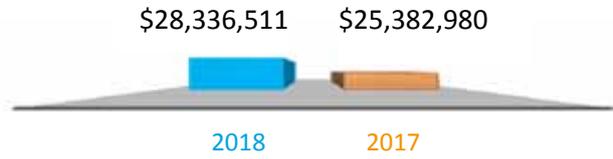


Assets have increased by \$5,636,175 and now total \$42,149,231 compared with previous year \$36,513,056, an increase of 15.4%. Liabilities have increased by \$2,953,531 and now total \$28,336,511 compared with previous year of \$25,382,980. This is represented by an increase in our Resident deposits (Accommodation Payments & Entry Contributions).

## TOTAL ASSETS

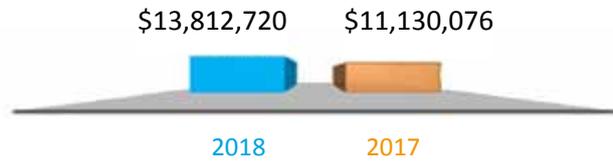


## TOTAL LIABILITIES



The Statement of Financial Position (Balance Sheet) indicates that the Total Equity of the Company is \$13,812,720 up from \$11,130,076, an increase of 24%.

## TOTAL EQUITY



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.

This has been the most successful year financially in the history of our Company, an excellent 2018 result and we are positioned well for our future growth plans.

**Gerd Wilmer**  
Treasurer & Director



## Report of the Retirement Living Manager



*Patricia Cearnès, Retirement Living Manager*

A very productive 2017-2018 has been achieved. Planning for the development on the green fields site of William Charlton Village has been a very exciting project. The new Retirement Village will offer 24 luxury apartments with large balconies that will capture the panoramic district and city views. Designed with modern technology, the apartments will provide for the changing needs of residents wishing to have choice to age in their home. We are also aiming to provide a Wellness Centre and Putting Green on the site which will all be set in amazing landscaped gardens with interesting ponds, viewing decks and walking paths. Upon consent, we aim to commence building in early 2019.

The extension of the Residential Aged Care Facility Development Application was supported by Northern Beaches Council and consent achieved from North Sydney Planning Panel in July 2017. The new facility will accommodate 84 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. This development has been placed on hold for the present until completion of the new Retirement Village.

All three segments of the Company, Allambie Heights Village, Retirement Village; William Charlton Village, Retirement Village and the Allambie Heights Village Residential Aged Care Facility continue to flourish.

### Allambie Heights Village, Retirement Village

The 2017-2018 financial year was another successful year in our Allambie Heights Village, Retirement Village. As at the 30 June 2018 the Village had full occupancy.

When a property becomes available, it is renovated to meet our high standards. 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 three apartments occupied by new residents totalling Entry Contributions of \$1,565,000. We currently offer 12% of our apartments on rental basis.

Our beautifully designed Village Dining Room invites residents, 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 along with the annual 'Biggest Morning Tea' fundraiser for Cancer Council and the 'Melbourne Cup High Tea'.

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 includes: Happy Hours; BBQs; Movie Nights; Relaxation and Exercise Program and a Walking Group.

Our Village Bus 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.



*Volunteer lunch : (L-R) Sue Wastell, Ciarán Foley, Patricia Cearnès, Erika Huebner and Bob Willatt.*

Many of our Village residents volunteer in the Residential Aged Care Facility and others give of their time around the Village sharing their talents, skills and life experiences with others.



The warmth and enthusiasm created is a pleasure to experience and creates wonderful communities. Thank you to all who give of their precious time to help.

Residents are aged between 61 and 94 years with an average age of 79, a wonderful mix of residents who complement each other and bring great value to our Village.

The presentation of the Village and the landscaped gardens are a unique feature. External painting, maintenance and preventative maintenance is continuous throughout the year. WH&S staff meetings are held twice a year and a WH&S site audit is performed annually with outcomes completed in an efficient manner.

We remain competitive and affordable in Allambie Heights and surrounding areas for people wishing to retire to 'The Best Kept Secret on the Northern Beaches'. A great location in a sensational setting.

### William Charlton Village, Retirement Village

William Charlton Village is comprised of 55 studio and one bedroom apartments offered currently on a rental basis to residents over 55 years. Following our purchase of the business and the transfer of ownership to us in August 2016, this year represents our first complete financial year.



*Morning tea at William Charlton Village.*

We have successfully renovated a total of 15 apartments this year which are now occupied by new residents. It is wonderful watching the Village develop with new faces making new friends and joining a community. The renovation of apartments is nearing completion and we are targeting full occupancy.

A great achievement, my thanks to Cathy who has managed the process.

What a busy year of renovations and upgrades to the Village. The Rotunda has been completely refurbished and is a community area that we are proud to provide for our residents to socialise, relax, read a book or listen to music. A large percentage of the work of renovating and upgrading buildings is unseen as it involves plumbing, electrical, communication cabling and fire alarm systems. Thank you to our wonderful Maintenance Team and External Contractors who make it all happen.

Keep an eye out over the next financial year when we commence the upgrade of the outside of the buildings and landscaped gardens. Very exciting!

If you would like to browse the website for the Village information, the website address is [www.williamcharltonvillage.com.au](http://www.williamcharltonvillage.com.au).

It has been a pleasure to meet with the residents and get to know them. We have held several meetings along with a delightful Christmas Luncheon and Easter Morning Tea.

### Allambie Heights Village, Residential Aged Care Facility

During the 2017-2018 financial year, we welcomed 12 new permanent residents to our Residential Aged Care Facility. Accommodation Payments totalled \$6,600,000 & were made up of a mix of Refundable Accommodation Deposits (RADs) and Deferred Accommodation Payments (DAPs). In accordance with the July 2014 Regulations, there are no retentions charged on this amount and the full Accommodation Payment, RAD component is refundable.



*Kris's Feathered Friends visit our residents.*



Respite Care has also been provided throughout the year with over 30 admissions to the facility. This includes providing respite care to our retirement village residents when required.

We are proud that unlike many of our competitors, we have always provided residents with single spacious en-suite rooms. We continued throughout the year to upgrade and refurbish rooms. The Dining Room received refreshing styling with new artwork, table dressings and furniture. Other communal areas have also been upgraded. It is an endless task, but always worth the effort and appreciated by the residents and their families.

Allambie Heights Village Ltd. publish information on accommodation prices and costs for our Residential Aged Care Facility. We make ourselves available to sit down 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.

I am proud to work with an outstanding team of staff who provide excellent quality care in happy, homely environments.

My thanks to Cathy and Clare, our friendly and competent Receptionists/Accounts Administration team who during the year interacted with residents, their families, visitors and contractors and ensured that the accounts and the diverse administration duties were delivered smoothly.

Our appreciation to the Maintenance team of Dennis, Tony and Rob who along with external contractors worked tirelessly to maintain and improve all properties.

And thanks to our Housekeeping Team of Zarina, Marlene, Tran and Ngawang who kept everywhere looking so clean and welcoming.

To our Residents, their Families and Friends I thank you for your support throughout the year. I look forward to another successful year in 2018-2019 with many new projects on the horizon as the Company grows.

**Patricia Carnes**  
Retirement Living Manager



*The Biggest Morning Tea.*



## Report of the Facility Manager



*Jim Murray, Facility Manager*

Residents remain the focus of our care delivery at Allambie Heights Residential Aged Care Facility. The past twelve months have been extremely exciting with lots of positive changes and innovation. As the new Facility Manager appointed in September 2017, it was amazing to be welcomed to such a warm and well-established team.

### Our Team

Following a review and cost-benefit analysis, recreation hours were increased to extend the recreation program to 9.00pm each evening. We also reviewed our registered nursing hours to respond to the changing needs of our residents and to extend the level of support to our amazing care team.

We reorganized our cleaning and laundry staff who make up our Housekeeping Team and this has resulted in greater efficiencies and improved delivery of our laundry service.

Our Maintenance Team are proactive and responsive in maintaining our resident rooms, communal areas, dining rooms and offices and our Gardening Contractors are diligent in creating beautiful gardens for the enjoyment of our residents, visitors and staff.

Our catering contractors Catering Industries Pty Ltd provide delicious meals every day and are always prepared to individualise meals to residents who have specific dietary requirements. During the year, we redesigned the dining room so as to improve the overall dining experience for our residents and visitors. And we

achieved another 'A Classification' for our catering services awarded by NSW Food Authority. This is an annual inspection where we are tested across a range of standards: records; hygiene; cleanliness; maintenance; food preparation; presentation and delivery. An 'A Classification', 9 years in a row.

Our volunteers continue to make an excellent contribution to all that we do and it was wonderful to join them and to thank them in the annual Volunteers Lunch.

Our General Practitioners, Allied Health Professionals and Contractors are part of our expansive team and I thank them all for their knowledge and care towards our residents and in working alongside our staff collaboratively.

*'An A Classification, 9 years in a row'*

### Innovation and Moving Forward

The past twelve months have seen the introduction of a lot of cutting edge information technology to assist us in our delivery of services to our residents. Following our previous ability to sync our medication giving and recording of medication (by another contractor) with our off-site pharmacist, we decided to extend our partnering with Telstra Health. Integration of our information technology systems are so important. We introduced the use of Telstra Health's Medication Management and use of iPads for the giving and recording of medications and staff are finding that the process is efficient and time saving which means that they get to spend more time directly with residents.

We introduced the latest software version of Telstra Health iCare for progress notes, reports and to integrate our resident administrative systems. And we are due to commence use of Telstra Health's Resident Manager to enhance our enquiry, admission and communication processes.

We partnered with PainChek, a new Australian Company which has produced software that indicates when a person who has difficulty communicating might be in pain. It uses a smart phone camera or tablet to record the person's face over a few seconds and analyses the images using facial recognition analytics. It automatically recognises facial muscle movements that indicate pain and takes note of them. This assists our registered nurses, care staff and allied health professionals to collaborate with our GPs to plan treatment of pain.

*'Cutting Edge Information Technology'*



We invested in extending our Physiotherapy services to respond to residents who show symptoms of pain and we purchased equipment produced by Thermoline that warms blankets that assist with pain management.

We redesigned the lounge area of Acacia where some of our residents with greatest levels of dementia reside and we arranged a wonderful and instructive Dementia Lecture which was attended by relatives, residents, relatives and corporate partners. An edited video of this event is on our website.

### High Occupancy Levels, High Satisfaction Levels

Our Residential Aged Care Facility is as ever in demand and we have experienced high levels of resident occupancy during the year. Our respite care service has also been active and bookings are taken for many months ahead.

We have regular meetings of residents throughout the year and circulate minutes of these meetings which demonstrate high levels of satisfaction from residents about our services across all of our teams. It's great to receive such positive feedback to share with our staff. And it's also important to hear if something is not going well so that we can change it.

Our meeting with Relatives of our Residents was an enjoyable evening event where I was joined by some of my colleagues. This was an opportunity to share information about some of our developments, to answer questions and to receive feedback. Relatives reported having enjoyed the evening and the refreshments afterwards in a relaxed setting.

### Regulations and Challenges

We work in an Industry with the highest standards and huge levels of regulations. We are proud of our own high standards and of our meeting all of our regulatory requirements consistently.

We respond and adapt to many demands and we are acutely aware that our residents are coming to us in ever increasing levels of poor health and states of dependency. Our staff team do amazing work every hour of every day to respond to the individual needs of our residents, to make them comfortable, happy,

to keep them well and when they are sick, to make them better. And when they require palliative care, we provide it with dignity and respect.

There has been some poor and irresponsible coverage as well as reports by journalists during the year about some of Australia's residential aged care facilities, about low staffing levels, about staff sending residents to hospital inappropriately. These stories thankfully represent only a minority of services to older persons across Australia and where found to be true are unacceptable.

My Report tells you what we at Allambie Heights Village Ltd. have done about our staffing levels and our hospital admissions are low for the third year running. These are great news stories.

We continue to be a Workplace of Choice and we rarely advertise for staff. We look after our staff, pay them above Award Rates, train them well, respect them and make sure that they work in safe environments.

Some of the challenges for the future will be how to attract staff to replace an ageing workforce; how we might minimise the amount of regulatory paperwork and how we might achieve fair payment and Government compensation through the Aged Care Funding Instrument (ACFI) Medicare Payments for the services we provide to residents. At Allambie Heights Village Ltd., we are well positioned to meet these challenges.

My thanks to all of my colleagues, management and staff and in particular to all my residents and your families for providing me with a warm welcome. I look forward to the year ahead and to providing you with the best of services.

*'We are Proud of Our Own High Standards'*

**Jim Murray**  
Facility Manager



*Meeting with Relatives of our Residents.*



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

It has been a very busy year for our activities program at the Residential Aged Care Facility.

Every morning and afternoon there is something worthwhile happening, aimed to stimulate our residents' mind and body. We are pleased to report that we still provide approximately 20 activities on a weekly basis to the residents of our Residential Aged Care Facility, which includes 2 bus outings and an array of interesting and stimulating sessions including Trivia, Bingo, Exercises/Physiotherapy Classes, Board Games, Silver Screen Movie Nights, Happy Hour, Reminiscing, Knitting Group, Garden Walks and Dog Therapy.

We are pleased to report that the number of participants attending our regular activities has increased in 2017-2018, specifically the brain targeted sessions such as Reminiscing, Trivia and Brain Teasers/Category Games. These activities have increased from 50% participation to 65% participation. We are always aiming to find new and innovative mind-centred activities for our residents which they thoroughly enjoy.

Many of these activity sessions are run by our wonderful team of volunteers who never fail to put a smile on our residents' faces. We currently have 23 active volunteers who dedicate 1-2 hours a week to our residents. We are so grateful to them for giving up their valuable time, they all do such an amazing job.

Our twice-weekly bus outings continue to be one of the most popular activities for our residents and we thank our regular drivers for their commitment and expertise. They are always finding new and exciting places to visit. On one of the outings, residents were taken to a beautiful park in Ramsgate / La Perouse to watch the planes taking off. The residents were thrilled to see the Airbus A-380 (double decker aircraft) take to the skies.

We also thank drivers for their dedication to the Allambie Heights Village, Retirement Village weekly shopping trips on Thursday mornings. Well done drivers.

During the year, we introduced a new game on Thursday afternoons called Category Games and Brain Teasers which is run by volunteers. This activity is proving very popular with our residents and aims to get them thinking. Our regular Trivia sessions continue to be hugely popular with our residents. We now have 3 trivia sessions per

week (as requested by residents) which aims to stimulate memory function.

Our residents were treated to a special event in May, Krissy's Feathered Friends - Live Bird Show. The residents were thrilled to meet these wonderful exotic birds and they even came and sat on the residents' shoulders. It was a wonderful morning filled with laughter and amazement when they performed their tricks and showed us their colourful plumage.

Our events calendar has been keeping us so busy this year. We've had many wonderful performances, concerts and themed lunches which our residents enjoy. A big highlight was Australia's Biggest Morning Tea which was held on 24th May 2018. We had a record number of attendees and raised nearly \$1000 for Cancer Research. It was thoroughly enjoyed by residents, families, friends and staff.

We celebrated a range of themed lunches including Australia Day, Easter, Anzac Day, Bastille Day, Christmas in July, Oktoberfest and of course our Melbourne Cup High Tea in November is always a wonderful dress up day.

It has been a very productive and exciting year for our recreational and activity programs. We have received positive feedback from our residents through open communication as well as via the regular resident meetings.

Sincere thanks to our residents, our volunteers who make magical things happen and to our staff and management for a successful and active year.

### Recreational Activities & Volunteer Co-ordinator



*Virginia Stapleton (centre) with volunteers Judith and Marea.*



## Annual Financial Report

### Directors Report

Your Directors present their report on the Company for the year ended 30 June 2018.

#### 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 Cameron Harris**

##### ***Company Secretary and 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.

#### **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.

#### Principal Activities

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

The Company acquired William Charlton Village (Retirement Village) on 30 August 2016.

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).

#### Mission Statement

The Company's mission statement is "to exercise the best possible duty of care, providing safe accommodation and facilities for residents cognisant 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 its retirement villages in accordance with the Retirement Villages Act 1999 No 81, the Retirement Villages Regulations 2009, the Residential Tenancies Act 2010 No 42 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.
- 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) and 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 villages. This ensures that we plan proactively for future income opportunities;

### 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 villages (110 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. The Agency extended this to September 2019 due to our consistently positive audits;
- 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 2017 - 2018, staff hours, staff and management positions were increased to respond to the changing needs of our residents;
- Adding value to vacant retirement village apartments 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 maximising 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 a cinema in the community hall in 2015 and we are consistently improving our gardens and facilities for our residents;



- On 30 August 2016, we acquired William Charlton Village, a retirement village of 55 independent living apartments on 3.7 hectares of land and we have commenced master planning the green fields site considering future development. We continue to add value to properties that we renovate within our retirement villages;
- In 2017, we achieved Development Consent to rebuild our residential aged care facility and expand the number of resident rooms from its existing 42 to 84 rooms. The Board and management decided during 2017 to place these expansion plans on hold as we prioritise the master planning of the William Charlton Village site;
- We continue to explore 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 villages are in demand and we have a healthy waiting list. This strategy will allow us 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 10 meetings of Directors were held. Attendances by each Director were as follows:

	Number eligible to attend	Number attended
Ms Wendy Kramer	10	10
Mr Wolfgang Müller	10	5
Mr Gerd Wilmer	10	8
Mr Ben Bowley *	1	1
Mr Cameron Harris	10	7

\* Mr Ben Bowley resigned as a Director during 2017.

### 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 2018, the collective liability of the members was \$480.00 for full members.

### Auditors

SCS Audit & Corporate Services Pty Ltd.

### Auditor's Declaration of Independence

The Auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set on page 17.

**Wendy Kramer**  
President, Board of Directors  
19 September 2018



Anzac Day



Easter Bunnies



# 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 2018, 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 September, 2018.

Liability limited by a scheme approved under Professional Standards Legislation.

Suite 802, Level 8, 309 Pitt St. Sydney NSW 2000 - PO Box A2235 Sydney South NSW 1235 T: (02) 9267 7771 - F: (02) 9267 3109 - E: [admin@superscs.com.au](mailto:admin@superscs.com.au)  
[www.superscs.com.au](http://www.superscs.com.au)



## Statement of Comprehensive Income

	Note	2018	2017
		\$	\$
<b>Revenue and Other Revenue</b>	4	<b>6,033,522</b>	<b>5,195,546</b>
Catering	5	(417,566)	(433,507)
Depreciation	5	(241,167)	(222,640)
Employment Expenses	5	(2,296,925)	(2,059,412)
Insurance	5	(101,404)	(98,671)
Repairs and Maintenance	5	(77,426)	(79,606)
Other operating expenses	5	(651,556)	(630,639)
<b>Profit for the year</b>		<b>2,247,478</b>	<b>1,671,070</b>
Other comprehensive income:		-	-
<b>TOTAL COMPREHENSIVE PROFIT FOR THE YEAR</b>		<b>2,247,478</b>	<b>1,671,070</b>
Add back depreciation		241,167	222,640
<b>Earnings before Depreciation (EBITDA)</b>		<b>2,488,645</b>	<b>1,893,710</b>



## Statement of Financial Position

	Note	2018	2017
		\$	\$
<b>Current Assets</b>			
Cash and cash equivalents	7	3,185,572	1,229,068
Receivables	8	42,876	81,168
Financial assets at fair value	9	18,348,339	15,468,117
Prepayments and deposits		60,434	50,140
<b>Total Current Assets</b>		<b>21,637,221</b>	<b>16,828,493</b>
<b>Non-Current Assets</b>			
Property plant and equipment	10	19,111,453	18,284,006
Intangibles	11	1,400,557	1,400,557
<b>Total Non-Current Assets</b>		<b>20,512,010</b>	<b>19,684,563</b>
<b>TOTAL ASSETS</b>		<b>42,149,231</b>	<b>36,513,056</b>
<b>Current Liabilities</b>			
Payables	12	28,017,466	25,138,827
Provisions	13	179,901	139,465
<b>Total Current Liabilities</b>		<b>28,197,367</b>	<b>25,278,292</b>
<b>Non-Current Liabilities</b>			
Provisions	13	139,144	104,688
<b>Total Non-Current Liabilities</b>		<b>139,144</b>	<b>104,688</b>
<b>TOTAL LIABILITIES</b>		<b>28,336,511</b>	<b>25,382,980</b>
<b>NET ASSETS</b>		<b>13,812,720</b>	<b>11,130,076</b>
<b>Equity</b>			
Accumulated funds	14	9,094,689	6,847,211
Asset revaluation reserve	15	4,718,031	4,282,865
<b>TOTAL EQUITY</b>		<b>13,812,720</b>	<b>11,130,076</b>



## Statement of Changes in Equity

	Note	2018	2017
		\$	\$
<b>Total equity at the start of the financial year</b>		<b>11,130,076</b>	<b>9,459,006</b>
Gain from asset revaluation		435,166	-
Total comprehensive income for the year		2,247,478	1,671,070
<b>TOTAL EQUITY AT END OF FINANCIAL YEAR</b>		<b>13,812,720</b>	<b>11,130,076</b>



## Statement of Cash Flows

	Note	2018	2017
		\$	\$
<b>Cash flow from operating activities</b>			
Receipts from residents and government		4,330,700	4,029,269
Interest and dividends received		572,757	629,550
Payments to suppliers and employees		(3,731,524)	(3,337,259)
<b>Net cash provided by (used in) operating activities</b>	16	<b>1,171,933</b>	<b>1,321,560</b>
<b>Cash flow from investing activities</b>			
Purchase of property plant and equipment		(633,448)	(2,162,078)
Realisation (purchase) of investments		(1,479,429)	3,384,825
<b>Net cash provided by (used in) investing activities</b>		<b>(2,112,877)</b>	<b>1,222,747</b>
<b>Cash flow from financing activities</b>			
Net Proceeds from tenants deposits		2,897,448	(3,353,889)
<b>Net cash provided by (used in) financing activities</b>		<b>2,897,448</b>	<b>(3,353,889)</b>
Net increase (decrease) in cash held		1,956,504	(809,582)
Cash at beginning of the Year		1,229,068	2,038,650
<b>CASH AT END OF YEAR</b>	17	<b>3,185,572</b>	<b>1,229,068</b>



## Notes to and Forming Part of the Accounts

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### For the year ended 30 June 2018

1. Summary of Significant Accounting Policies
2. Financial Instruments
3. Significant Accounting Judgements, Estimates and Assumptions
4. Revenue from Ordinary Activities
5. Expenses from Ordinary Activities
6. Investment Income (Loss)
7. Cash
8. Receivables
9. Financial Assets at Fair Value
10. Property, Plant and Equipment
11. Intangibles
12. Creditors and Borrowings
13. Provisions
14. Accumulated Funds
15. Reserves
16. Reconciliation of Cash Flow from Operations with Operating Profit
17. Reconciliation of Cash
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19. Auditor's Remuneration
20. Segment Information
21. Fundraising



## 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), the Corporations Act 2001 and the Australian and Not-For-Profits Commission Act 2012.

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 exempt from income tax as it is an income tax exempt charity under section 50-5 of the Income Tax Assessment Act 1997.

#### b) Cash and cash equivalents

Cash on hand and in banks 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 2018 (2017: \$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 2018.

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) Disclosures**

Allambie Heights Village Ltd. has recorded Resident payments and resident entry contributions as current liabilities for the current financial year ended 30 June 2018 in accordance with Australian Accountancy Standard AASB 101 (69).

The comparatives for 30 June 2017 have also been disclosed as current liabilities.

## **2. Financial Instruments**

Allambie Heights Village Ltd's. principal financial instruments comprise of 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**

	2018	2017
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	3,185,572	1,229,068
Receivables	42,876	81,168
Investments	18,348,339	15,468,117
<b>Financial Liabilities</b>		
Payables	28,017,466	25,138,827

#### **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.

## 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 investment portfolios which are 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 \$1,812,761 was recorded (2017: \$1,222,333 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.

	Maturity Dates			
	Amount Due	< 1 year	1-5 years	> 5 years
<b>30 June 2018</b>				
<b>Financial Assets</b>				
Cash	3,185,572	3,185,572	-	-
Receivables	42,876	42,876	-	-
<b>Financial Liabilities</b>				
Creditors	209,374	209,374	-	-
Contributions and payments	27,808,092	27,808,092	-	-
<b>30 June 2017</b>				
<b>Financial Assets</b>				
Cash	1,229,068	1,229,068	-	-
Receivables	81,168	81,168	-	-
<b>Financial Liabilities</b>				
Creditors	237,169	237,169	-	-
Contributions and payments	24,901,658	24,901,658	-	-



Interest Rate Exposure	Interest Rate	Fixed Rate	Variable Rate	Non-interest Bearing
<b>30 June 2018</b>				
Cash	0.01%	-	3,185,572	-
Receivables	5.00%	42,876	-	-
Creditors	-	-	-	209,374
Contributions and payments	-	-	-	27,808,092
<b>30 June 2017</b>				
Cash	0.01%	-	1,229,068	-
Receivables	5.00%	81,168	-	-
Creditors	-	-	-	237,168
Contributions and payments	-	-	-	24,901,658

#### 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 2017. 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 out below.

	Carrying Amount	+/- 2% Profit
<b>2018</b>		
Cash and cash equivalents	3,185,572	63,711
BT Portfolio - Cash Account	2,500	50
LLL Account	20,530	411
<b>2017</b>		
Cash and cash equivalents	1,229,068	24,581
BT Portfolio - Cash Account	9,500	190
LLL Account	20,007	400



## 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 2018 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>2018</b>			
Interest Bearing Securities	3,234,650	+/- 1%	32,346
Term deposits and Cash	857,391	+/- 1%	8,574
Global & Australian Equities	12,994,262	+/- 10%	1,299,426
Property	1,246,857	+/- 20%	249,371
<b>2017</b>			
Interest Bearing Securities	2,554,978	+/- 1%	25,550
Term deposits and Cash	2,645,954	+/- 1%	26,460
Global & Australian Equities	9,542,247	+/- 10%	954,225
Property	718,161	+/- 20%	143,632

### 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 2018, 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 2018.

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

	2018	2017
<b>Income from residents</b>	\$	\$
Retirement Village and RACF fees	2,219,546	2,134,682
Services fees	294,109	256,005
<b>Other income</b>		
Medicare government subsidies	1,628,953	1,481,103
Fundraising and donations	11,754	17,207
Kitchen income	10,125	7,795
Other income	56,274	76,421
Investment Income	1,812,761	1,222,333
	<b>6,033,522</b>	<b>5,195,546</b>



## 5. Expenses from Ordinary Activities

	2018	2017
Accounting services	45,284	40,446
Advertising	8,389	9,122
Audit fees	16,500	15,792
Bank fees	1,629	1,283
Capital Works Fund	13,595	21,245
Cleaning, waste disposal, medical and care supplies	124,716	97,221
Contractors	75,239	73,155
Depreciation	241,167	222,640
Donations	913	600
Electricity and gas	118,792	76,429
Function and meeting expenses	10,825	6,414
Insurance	54,152	46,389
Interest Paid	15,496	85,299
Kitchen expenses	417,566	433,507
Legal and accreditation fees	2,943	3,990
Loss on disposal	1,606	-
Memberships and subscriptions	1,997	2,570
Motor vehicle expenses	12,800	23,529
Payroll services	12,767	13,269
Postage, printing, stationery and software	30,722	25,329
Rates and crown lease	33,521	36,544
Recreational activities	2,361	1,912
Repairs and maintenance	77,426	79,606
Salaries and salary sacrifice	2,115,311	1,882,108
Security and fire monitoring	20,028	16,456
Software/iCare	5,005	12,654
Staff Recruitment	23,400	10,286
Staff training	9,635	6,869
Strategic Development	16,300	7,188
Mirus Training & Support	6,000	6,000
Sundry expenses	8,971	9,020
Superannuation	181,615	177,304
Telephone	8,853	11,358
Water and sewage	23,268	16,661
Workers compensation	47,252	52,281
	<b>3,786,044</b>	<b>3,524,476</b>

\* Superannuation has been re-classified as an employee expense in 2018. The 2017 comparative is also reflecting the re-classification.



<b>6. Investment Income (Loss)</b>	<b>2018</b>	<b>2017</b>
Interest and dividends received	530,971	556,886
Gain / Loss on investments	1,402,399	762,812
Investment advisor fees	(120,609)	(97,365)
	<b>1,812,761</b>	<b>1,222,333</b>
<b>7. Cash</b>		
Westpac trading account	84,633	90,074
Westpac investment account	3,091,623	1,122,433
Petty cash	9,316	16,561
	<b>3,185,572</b>	<b>1,229,068</b>
<b>8. Receivables</b>		
Residents payments in arrears	19,323	24,038
Net GST receivable	23,553	15,344
Investment income receivable	-	41,786
	<b>42,876</b>	<b>81,168</b>
<b>9. Financial Assets at Fair Value</b>		
Mirvac Property Trust (at current value)	84,177	76,297
Managed Asset Trusts (at current value)	18,333,159	13,401,513
Term Deposits	-	2,059,827
LLL investment account	20,530	20,007
Loan to Residents - Petty Cash Float	10,000	10,000
Provision for diminution in investments	(99,527)	(99,527)
	<b>18,348,339</b>	<b>15,468,117</b>
<b>10. Property, Plant &amp; Equipment</b>		
Buildings at 2013 valuation	15,335,000	15,335,000
Additions - at cost	2,626,414	2,335,999
Less Accumulated Depreciation	(833,257)	(647,776)
Buildings at 2013 valuation and cost	<b>17,128,157</b>	<b>17,023,223</b>
Buildings at 2018 valuation	<b>17,880,000</b>	
Plant & Equipment at 2013 valuation	631,100	631,100
Additions - at cost	269,142	218,034
Less Accumulated Depreciation	(128,032)	(87,231)
Plant & Equipment at 2013 valuation and cost	<b>772,210</b>	<b>761,903</b>
Plant & Equipment at 2018	<b>445,000</b>	
Motor Vehicles at 2013 valuation	46,000	46,000
Additions - at cost	156,701	103,064
Less disposal	(103,065)	(49,867)
Less accumulated depreciation	(35,170)	(38,240)
Motor Vehicles at 2013 valuation and cost	<b>64,466</b>	<b>60,957</b>
Motor Vehicles at 2018	<b>75,000</b>	
Work in Progress	711,453	437,923
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>19,111,453</b>	<b>18,284,006</b>



## Revaluation 2018

Building improvements, plant and equipment and motor vehicles were revalued as of 30 June 2018 by Australian Valuations by Blithe Robinson Valuation & Asset Advisory ASA.

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

	2018	2017
Approved places at Cost	1,400,557	1,400,557
	1,400,557	1,400,557

During the 2016 year the Company acquired a number of approved places as a strategic investment.

### 12. Creditors and Borrowings

Current

Residents' deposits

27,808,092 24,901,658

Residents' fees received in advance

97,281 91,817

Payables and accruals

112,093 145,352

28,017,466 25,138,827

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.

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.



13. Provisions	2018	2017
Current		
Provision for annual leave	179,901	139,465
Non-current		
Provision for long service leave	139,144	104,688
	<b>319,045</b>	<b>244,153</b>
Movements in provisions		
i) Annual leave		
Carrying amount at the beginning of the year	139,465	126,061
Additional provision	40,436	13,404
Carrying amount at the end of the year	<b>179,901</b>	<b>139,465</b>
ii) Long Service Leave		
Carrying amount at the beginning of the year	104,688	82,169
Additional provision	34,456	22,519
Carrying amount at the end of the year	<b>139,144</b>	<b>104,688</b>
14. Accumulated Funds		
Accumulated funds at beginning of period	6,847,211	5,176,141
Profit /(Loss) From Ordinary Activities	2,247,478	1,671,070
Accumulated funds at end of period	<b>9,094,689</b>	<b>6,847,211</b>
15. Reserves		
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	435,166	-
Balance at end of year	<b>4,718,031</b>	<b>4,282,865</b>
16. Reconciliation of Cash Flow from Operations with Operating Profit		
Operating Profit (Loss)	2,247,478	1,671,070
<b>Non-Cash Flows in Operating Profit</b>		
Depreciation	241,167	222,640
Loss on disposal	1,606	-
Unrealistic investment losses (gains)	(1,402,399)	(762,812)
<b>Changes in Assets and Liabilities</b>		
Decrease (increase) in Receivables	36,905	43,234
Decrease (increase) in Prepayments	(1,454)	(6,685)
Decrease (increase) in Creditors and Provisions	48,630	154,113
<b>CASH FLOW FROM OPERATIONS</b>	<b>1,171,933</b>	<b>1,321,560</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:

	2018	2017
Cash on Hand and at Bank	3,185,572	1,229,068
	<b>3,185,572</b>	<b>1,229,068</b>

## 18. Capital Expenditure Commitments

Estimated capital expenditure contracted for at the reporting date, but not provided for, payable not later than one year

	2018	2017
later than one year and not later than five years	10,000,000	5,000,000
later than five years	-	-
	<b>11,000,000</b>	<b>5,750,000</b>

## 19. Auditor's Remuneration

Amounts received or due and receivable by the auditor:

	2018	2017
Auditing the financial report for the Company	16,000	16,000
	<b>16,000</b>	<b>16,000</b>

## 20. Segment Information

The Company operates in a single geographical location (Australia) and has two operating segments (Retirement Villages and Residential Aged Care Facility). There are no transactions between the segments based on actual expenditure and joint costs are shared between the segments based on management's estimate of the benefit derived by each segment.

	Retirement Villages	Residential Aged Care Facility	Non-Segment
Revenue	2018	2018	2018
Medicare Government Subsidies	-	1,628,953	-
Resident Fees	906,903	1,138,444	-
Capital Grants	-	-	-
Retentions	447,192	20,426	-
Other	981,875	1,018,584	(108,854)
<b>Total Revenue</b>	<b>2,335,970</b>	<b>3,806,407</b>	<b>(108,854)</b>
Expenses			
Employee Expenses	(395,765)	(1,719,546)	-
Interest	-	(15,430)	-
Depreciation	(127,175)	(113,992)	-
Other	(429,665)	(1,088,967)	104,495
<b>Total Expenses</b>	<b>(952,605)</b>	<b>(2,937,934)</b>	<b>104,495</b>
<b>SEGMENT RESULT</b>	<b>1,383,365</b>	<b>868,473</b>	<b>(4,360)</b>



	Retirement Villages	Residential Aged Care Facility	Non-Segment
<b>Assets</b>	2018	2018	2018
Current Assets	93,618	101,140	21,442,462
Non-Current Assets	11,424,001	9,088,009	-
	<b>11,517,619</b>	<b>9,189,149</b>	<b>21,442,462</b>
<b>Liabilities</b>			
Current Liabilities	(12,340,020)	(15,857,348)	-
Non-Current Liabilities	(27,828)	(111,315)	-
	<b>(12,367,848)</b>	<b>(15,968,663)</b>	<b>-</b>
<b>Other segment information</b>			
Accommodation Payment Liabilities	-	15,556,425	-
Entry Contribution Liabilities	12,228,496	-	-
Borrowings	-	-	-
	Retirement Village	Residential Aged Care Facility	Non-Segment
<b>Revenue</b>	2017	2017	2017
Medicare Government Subsidies	-	1,481,103	-
Resident Fees	753,067	1,117,792	-
Capital Grants	-	-	-
Retentions	469,258	50,571	-
Other	726,074	677,839	(80,158)
<b>Total Revenue</b>	<b>1,948,399</b>	<b>3,327,305</b>	<b>(80,158)</b>
<b>Expenses</b>			
Employee Expenses	(347,678)	(1,534,430)	-
Interest	-	(85,296)	-
Depreciation	(114,867)	(107,773)	-
Other	(380,632)	(1,029,320)	75,520
<b>Total Expenses</b>	<b>(843,177)</b>	<b>(2,756,819)</b>	<b>75,520</b>
<b>SEGMENT RESULT</b>	<b>1,105,222</b>	<b>570,486</b>	<b>(4,638)</b>



	Retirement Village	Residential Aged Care Facility	Non-Segment
	2017	2017	2017
<b>Assets</b>			
Current Assets	84,836	106,059	16,637,598
Non-Current Assets	9,776,514	9,908,049	-
	<b>9,861,350</b>	<b>10,014,108</b>	<b>16,637,598</b>
<b>Liabilities</b>			
Current Liabilities	(12,017,045)	(13,261,247)	-
Non-Current Liabilities	(20,938)	(83,750)	-
	<b>(12,037,983)</b>	<b>(13,344,997)</b>	<b>-</b>
<b>Other segment information</b>			
Accommodation Payment Liabilities	-	12,980,112	-
Entry Contribution Liabilities	11,905,935	-	-
Borrowings	-	-	-

## 21. Fundraising

Information furnished under the Charitable Fundraising Act 1991.

	2018	2017
<b>Fundraising monies received</b>		
Donations	11,754	17,207
Fundraising	-	-
	<b>11,754</b>	<b>17,207</b>
<b>Costs incurred in fundraising</b>	-	-



## Director's Declaration

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**The Directors of the Company declare that:**

The Financial Report and Notes, as set out on pages 23 to 36 are in accordance with the Corporations Act 2001, including

- (a) Giving a true and fair view of the financial position as at 30 June 2018 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

Dated this 19 September 2018  
Sydney



## Independent Auditor's Report



**SCS AUDIT &  
CORPORATE SERVICES** PTY LTD

ABN 99 165 260 444

**ALLAMBIE HEIGHTS VILLAGE LTD**

**ABN 37 137 083 964**

**Independent Auditor's Report to the Members**

### **Report on the Audit of the Financial Report**

We have audited the financial report of Allambie Heights Village Ltd, which comprises the statement of Financial Position as at 30 June 2018, the statement of income, statement of changes in equity and statement of cash flows for the period 1 July 2017 to 30 June 2018 then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial report of Allambie Heights Village Ltd, has been prepared in accordance with the *Corporation Act 2001* and Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012, including:

- a) giving a true and fair view of the company's financial position as at 30 June 2018 and of its financial performance for the period then ended; and
- b) complying with Australian Accounting Standards, the Corporations Regulations 2001 and Division 60 the Australian Charities and Not-for-profits Commission Regulation 2013.
- c) the financial report also complies with International financial Reporting Standards as disclosed in Note 1 to the financial statements.

### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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



### Director' 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, the ACNC Act and the *Corporations Act 2001*, and for such internal control as directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, directors are responsible for assessing the Allambie Heights Village Ltd.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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



- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

**SCS AUDIT & CORPORATE SERVICES PTY LTD**

Brian Taylor

Registered Company Auditor

Sydney

Date: 19 September, 2018





ALLAMBIE HEIGHTS  
*Village Ltd.*

Allambie Heights Village Ltd.

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