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The Directors present their report with the financial report of Westmont Aged Care Services Limited for the period ended 30 June 2017 and the auditor's report thereon.

#### Directors

The names of the Directors of Westmont Aged Care Services Limited at any time during or since the end of the financial year are:

Name and Qualifications	Age	Experience and Special Responsibilities
Trevor McLean Bachelor of Commerce, Dip. Financial Planning, FCPA, FAICD	74	Director since 2009. Deputy Chairman 2012 - 2013. Chairman since 2013  Managing Director, MAPS Group Ltd 11 years. Director Finance & Treasury, City of Melbourne 9 years Money Broker, ANZ McCaughans 2 years Assistant Treasurer Australia Post 3 years Australian Defence Forces 9 years Adviser in Vietnam 1 year
Andrew McArthur Williams Bachelor of Laws	65	Director since 2004 and Deputy Chairman since 2008.  Partner Warren Graham & Murphy Solicitors 12 years Director Kell Moore Lawyers 22 years,  "Nationally Accredited Mediator 6 years, Andrew Williams Lawyer Consultant and Mediator 4 years"
Raymond Henry Snell resigned November 2016	67	Director & Inaugural Chairman of Westmont Aged Care Services Ltd from 2004 to 2013. Deputy Chairman since 2013 - November 2016  Director & Chairman Huon Properties Pty Ltd since 1985 - current Director & Chairman Snell Management Services Pty Ltd since 1985 - current Director & Chairman Snell Superannuation Pty Ltd since 1999 - current Director EW Tipping Foundation 10 years. Chairman 4 years. Managing Director, Inscorp Pty Ltd 9 years.
Eleanor Leoni Fitz Master Degree Business (HM) Grad. Dip.Ed.Admin, Dip. App. Sc Food Services Teaching Certificate Work Place Trainer Certificate UK Trade Certificates Catering Management	73	Director since 2004 and Company Secretary since 2012.  40 years Educational and Business Management experience Food Services – Aged Care Consultant International Vocational Education & Training Consultancy Business Partner Transport Services Tourism Services - Special Interest Cruises
Neville Gordon Seymour	78	Director since 2004 and Deputy Chairman 2004 – 2008  21 years experience in local government as Councillor and Shire President 20 years Gundowring CFA Captain 30 years President Dederang Reserve Committee Many years on local and regional community and welfare committees 2014 Member of Country Racing Working Party (3 year appointment) 2016 Director, Wodonga Cemetery Trust



Name and Qualifications	Age	Experience and Special Responsibilities
Andrew Geoffrey Brown Registered Nurse Diploma of Management Tertiary studies in Health Sciences and Commerce GAICD	49	Director since 2013 and Deputy Chairman since November 2016  30 years experience in the health industry - clinical, management, project management and at executive level in regional roles in health services in both public and private sectors.  3½ years Director of Quality and Clinical Governance at Albury Wodonga Health.  Board Director Tallangatta Health Service and Chairman 2012 - 2014 General Manager Client Services, Gateway Health - current
Angela Collins	57	Director since 2013.  6 years Morses Newsagency 18 years Myer 7 years Elders Real Estate 4 years Councillor City of Wodonga (2 years as Deputy Mayor) Fully licenced Real Estate Agent in NSW & Victoria Ian Ritchie Real Estate 2010 - current
Dr William Robert Keeton PhD - Management Masters - Management Bachelor - Political Science	55	Co-opted as Director April 2017  20 years United States of America - Army Logistics 10 years Research student / Casual lecturer - La Trobe University 3 years Director of Research - Centaur Institute Pty Ltd Lecturer La Trobe University - current

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

The company secretary at the end of the financial year was Mrs Eleanor Fitz.

#### **Principal Activities**

The principal activity of the Company during the course of the year was the operation of aged care services.

#### **Operating Result**

The operating loss of the Company for the year ended 30 June 2017 was \$1,150,001 (2015/16 \$1,387,883 loss). Prior to the provision for depreciation the Company has a profit of \$1,208,409 (2015/16 \$376,741). The Company is exempt from income tax.

#### Dividends

As the Company is a limited company by guarantee and does not have share capital, no dividend is payable.





#### Significant Changes in the State of Affairs

In the opinion of the Directors there were no significant changes in the state of affairs that occurred during the financial period under review not otherwise disclosed in this report or the financial report.

#### **Review of Operations**

Westmont Aged Care Services has continued to develop and operate a range of aged care, residential and community services for the people of Wodonga and the surrounding region in the 2016/17 financial year. The operation is divided into 4 distinct segments, Residential Aged Care, Assisted Living Apartments, Retirement Village and Community Care Operation. All segments, prior to depreciation, returned surpluses on their operations.

This financial year, the 40 Apartments continued to attain 100% occupancy, albeit for a short period, as a number of residents have taken the opportunity to move to the Homestead.

82 Village units (Villas) were constructed as at 30 June 2017 (79 occupied) with a further 8 under construction. It is envisaged that up to 123 two and three bedroom independent living villas will be occupied when the village is complete. At the present rate of construction and continued high demand, the Village site will be completed in 2019.

In March 2017, the construction of the much anticipated Recreation Centre commenced. This building will be operational later in 2017, and is expected to cost \$2.25m.

The Homestead (100 beds) residential aged care facility has maintained almost 100% occupancy throughout the year.

The Community Care component of the Westmont business, operating out of "the Willows" building in McFarland Road Wodonga, has continued to grow steadily during the financial year. This unit has adapted well to the Community Care legislative changes that commenced in February 2017, and is continually attracting new clients.

Funding levels from the Commonwealth Government are continually being monitored, and the maximising of this component of funding is the key to the ongoing success in the Residential Aged Care component of Westmont's operation. For Westmont's sound financial situation to continue, it is critical to maintain, and where possible, improve this funding.

The Board is confident of continued positive financial results with prudent fiscal management.



#### Indemnification and insurance of Directors and Officers

During the year, a premium was paid in respect of a contract insuring directors and officers of the Company against liability.

The officers of the Company covered by insurance contract include the directors, executive officers, secretary, and employees.

In accordance with the normal commercial practice, disclosure of the total amount of premium payable under, and the nature of the liabilities covered by, the insurance is prohibited by a confidentiality clause in the contract.

The Company has not indemnified its auditors.

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Board of Directors:

Andrew Brown

Director & Chairman of Finance & Audit Committee

Dated this 20th day of September 2017.



# Statement Of Financial Position as at 30 June 2017

NOT	E 2017	2016
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents 2	2,293,410	2,759,643
Trade & Other Receivables 3	987,28	1,782,012
TOTAL CURRENT ASSETS 19	3,280,69	4,541,655
NON-CURRENT ASSETS		
Property, plant and equipment 4	62,310,050	52,123,463
TOTAL NON-CURRENT ASSETS	62,310,050	52,123,463
TOTAL ASSETS	65,590,74	56,665,118
CURRENT LIABILITIES		
Trade & Other Payables 5	1,371,570	3,787,667
Short Term Provisions 6	923,660	855,027
TOTAL CURRENT LIABILITIES 19	2,295,230	4,642,694
NON-CURRENT LIABILITIES		
Trade & other payables 5	762,370	405,490
Other 7	42,984,89	35,913,004
Long Term Provisions 6	512,110	462,090
TOTAL NON-CURRENT LIABILITIES	44,259,37	36,780,584
TOTAL LIABILITIES	46,554,60	41,423,278
NET ASSETS	19,036,14	15,241,840
EQUITY & RESERVES		
Retained earnings	903,05	1,501,708
Asset Revaluation Reserve	18,133,08	13,740,132
TOTAL EQUITY	19,036,14	15,241,840



# Statement Of Changes in Equity for the year ended 30 June 2017

	NOTE	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 30 June 2015		2,374,454	12,213,359	14,587,813
Profit (loss) attributable to entity for year		( 1,387,883)		( 1,387,883)
Surplus arising on revaluation	4(b)		2,041,910	2,041,910
Transfer to Retained Earnings	4(c)	515,137	( 515,137)	
Balance at 30 June 2016		1,501,708	13,740,132	15,241,840
Profit (loss) attributable to entity for year		( 1,150,001)		( 1,150,001)
Surplus arising on revaluation	4(b)		4,944,303	4,944,303
Transfer to Retained Earnings	4(c)	551,348	( 551,348)	-
Balance at 30 June 2017		903,055	18,133,087	19,036,142



# Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2017

	NOTE	2017	2016
		\$	\$
Revenue	9(a) & 9(b)	14,694,538	12,893,503
Employee benefits expense		(9,695,111)	( 9,134,494)
Catering Services		(590,659)	( 578,679)
Maintenance		(299,585)	( 284,510)
Utilities		( 291,745)	( 234,899)
Finance Costs		(76,584)	( 97,564)
Transfers to Provisions for future refurbishments	5	( 305,127)	( 140,490)
Other expenses from ordinary activities		( 2,227,318)	( 2,135,454)
Total Expenses	11	( 13,486,129)	( 12,606,090)
Operating Profit or (Loss) before Depreciation and Provision		1,208,409	287,413
for Impairment and Capital Revenue			
Government Capital Funding & Rebates	9(c)	-	89,328
Profit or (Loss) before Depreciation		1,208,409	376,741
Depreciation		( 2,358,410)	( 1,764,624)
Net profit or (loss) for the year before income tax	13	( 1,150,001)	( 1,387,883)
Income tax expense		-	-
Net profit or (Loss) for the year		( 1,150,001)	( 1,387,883)
Other comprehensive income			
Net gain on revaluation of non-current assets	4(b)	4,944,303	2,041,910
		·	
Total comprehensive income (loss) attributable to members equity		3,794,302	654,027



#### Statement of Cash Flows

for the year ended 30 June 2017

	2017 \$	2016 \$
Cash Flows from Operating Activities		
Receipts		
Client & Residential Fees	4,157,862	3,740,712
Commonwealth Government service fees	6,885,619	5,758,508
State Government service fees	2,223,473	2,081,837
Interest	57,838	123,486
Coffee Shop	104,045	89,895
Transitional Care Program	157,028	155,309
Other income	144,821	135,475
Payments		
Employee benefits paid	(9,519,380)	(8,725,857)
Suppliers	(3,662,437)	(3,176,990)
Net Cash From / (Used In) Operating Activities	548,869	182,375
Cash Flows from Investing Activities		
Draggada from diappeal of accets		00.000
Proceeds from disposal of assets	(7,060,547)	89,328
Funding for Capital Acquisitions  Construction works in progress – Buildings	(7,369,547) (122,984)	( 6,579,367) ( 174,844)
Purchases of Plant & Equipment	(108,163)	(174,044)
Fulchases of Flant & Equipment	(7,600,694)	( 6,664,883)
Cash Flows from Financing Activities		
Cash From Chemical Manager (Cash)		
Apartment lease premiums received	1,411,000	2,532,300
Apartment lease premiums repaid	( 1,274,680)	( 2,333,325)
Accommodation RAD's received *	3,038,596	4,786,688
Accommodation bonds / RAD's repaid	(4,807,701)	( 4,111,384)
Villa lease premiums received	9,141,668	8,579,958
Villa lease premiums repaid	(923,291)	( 1,189,938)
	6,585,592	8,264,299
Net Increase / (Decrease) in Cash Funds	( 466,233)	1,781,791
Cash Funds at Beginning of Period	2,759,643	977,852
Cash Funds at End of Year	2,293,410	2,759,643

<sup>\*</sup> RAD = Refundable Accommodation Deposit





#### Notes to the Statement of Cash Flows

#### (a) Reconciliation of cash

For the purposes of the Statement of cash Flows, the Directors consider cash to include Cash on Hand, Cash at Bank and Term Deposits net of Bank Overdraft. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:-

	2017	2016
	\$	\$
Cash on hand	2,650	2,650
Cash at bank and on term deposits	2,290,760	2,756,993
Cash at end of year	2,293,410	2,759,643

#### (b) Reconciliation of Net Cash Provided By Operating Activities to Operating Result

Net profit / (loss) for the year before capital funding	( 1,150,001)	( 1,387,883)
Government Capital Funding & Rebates	-	( 89,328)
Net Profit / Loss for year	( 1,150,001)	( 1,477,211)
Items not involving cash flow in operating result		
Depreciation	2,358,410	1,764,624
Provision for uplift repayments	305,127	140,490
Employee entitlements provided	118,653	361,417
Absorbed Fees against accommodation bonds	-	( 32,194)
Retentions - accommodation bonds	(36,928)	(60,554)
Deferred Management Fee (Village)	(229,323)	( 245,041)
Deferred Management Fee (Apartments)	( 640,581)	( 437,903)
Change in assets and liabilities		
Increase in payables	(53,704)	235,593
(Increase) in resident fees receivable	( 57,020)	(60,143)
Decrease / (Increase) in other receivables	( 117,517)	(50,122)
Increase in unexpended future development contributions	51,753	43,419
Net cash provided by / (Used in) Operating Activities	548,869	182,375



#### 1. Statement of Significant Accounting policies

The general purpose financial statements have been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and Australian Accounting Standards and Interpretations of the Australian Accounting Standard Board.

Westmont Aged Care Services Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial statements.

The accounting policies have been consistently applied, unless otherwise stated.

#### **Reporting Basis and Conventions**

The financial statements have been prepared on an accrual basis and are based on historical costs modified, where applicable, by the revaluation of selected non-current assets and financial liabilities for which the fair value basis of accounting has been applied.

#### (a) Property Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

#### Plant and Equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Board to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.



#### Depreciation

Depreciation has been provided on depreciable assets so as to allocate the cost (or valuation) over their estimated useful lives using the straight line or diminishing methods of depreciation as deemed appropriate.

The following average rates of depreciation have been applied:

	2017	2016
Buildings and improvements	2.5%	2.5%
Plant, Equipment, Improvements & Furnishings	10.0%	10.0%
Motor Vehicles	15.0%	15.0%

The assets residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains are included in the income statement. When valued assets are sold, amounts included in the revaluation relating to that asset are ransferred to retained earnings.

#### (b) Impairment of Assets

At each reporting date, the Board reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired.

The Board has subsequently requested that a valuation of the facility be undertaken to ensure the true value of the facilities tangible and intangible assets are reflected at their true carrying value.

If such an indication exists, the recoverable amount of the assets, being the higher value of the assets fair value less costs to sell and value-in-use, is compared to the assets carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of the individual asset, the Board estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### (c) Employee Benefits

Provision is made for the company liability for the employee benefits arising from the services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash flows to be made for those benefits.



#### (d) Income Tax

The company is an approved Public Benevolent Institution and, as such, is exempt from Income Tax.

#### (e) Revenue

Grant revenue is recognised in the income statement when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the balance sheet as a liability until such conditions are met or services provided.

Interest revenue is recognised on a proportionate basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of services is recognised upon delivery of the service to the customer.

All revenue is stated net of the amount of goods and services tax (GST).

	2017	2016
	\$	\$
2. Cash and Cash Equivalents		
Cash on hand	2,650	2,650
Cash at bank and on term deposits	2,290,760	2,756,993
	2,293,410	2,759,643
3. Trade and other receivables		
Village Lease premiums receivable	408,492	1,377,752
Homestead Resident fees & other receivables	75,554	18,534
Community Care (incl HACC) receivables	210,839	150,877
Prepayments	84,490	63,863
GST Refund	133,832	98,027
Other receivables	74,081	72,959
	987,288	1,782,012

#### **Accounts Receivable Analysis**

			Overdue but not i	mpaired	
	Gross Amount	Within Trading Terms	30-60 days	61-90 days	> 90 days
Homestead Resident Fees	75,554	63,625	2,728	57	9,144
Community Care Client Fees	210,839	152,395	20,986	4,358	33,100
Lease Premiums - Villas	408,492	32,057	-	-	376,435
Other receivables	74,081	60,612	13,383	-	86



4. Pr	operty, Plant & Equipment	2017 \$	2016 \$
(a)	Baranduda Aged Care facility at independent valuation 30 June 2017 (2016 - independent valuation 30 June 2016) Refer Note 4(b)	60,947,209	51,656,236
	Motor vehicles, at cost	561,548	453,385
	Less Accumulated Depreciation	( 279,996)	( 209,246)
	Leasehold improvements	68,020	55,310
	Less Accumulated Depreciation	(7,737)	(3,867)
	Construction works in progress, at cost	1,021,006	171,645
		62,310,050	52,123,463

#### (b) Reconciliation of Movements

	Land	Buildings & Land Improvements	Building Plant & Equipment	Plant, Equipment & Fittings	Total Revalued Assets (2) (3)	Construction works in progress, at cost	Motor Vehicles, at cost	Leasehold Improvements	Total
Carrying value at 30.06.2016	5,099,000	40,374,889	4,395,826	1,786,521	51,656,236	171,645	244,139	51,443	52,123,463
Additions		5,936,538	570,938	122,984	6,630,460	849,361	108,163	12,710	7,600,694
Transfers									-
Retirements									-
Revaluation increments / decrements	341,000	5,562,127	( 445,627)	( 513,197)	4,944,303				4,944,303
Depreciation		( 1,164,145)	(766,225)	( 353,420)	(2,283,790)		( 70,750)	(3,870)	( 2,358,410)
Carrying value at 30.06.2017	5,440,000	50,709,409	3,754,912	1,042,888	60,947,209	1,021,006	281,552	60,283	62,310,050

- (1) The revaluation of Buildings & Land Improvements incorporates bed approvals pertaining to the facility.
- (2) Westmont's Aged Care Facility at Baranduda was independently valued at 30 June 2017 at \$60,947,209 (30 June 2016 at \$51,656,236).
  - The valuations were carried out by Nelson Partners Australia Pty Ltd, Certified Practising Valuers. The valuations were performed as a going concern basis, and included the land, buildings and improvements, plant and equipment and bed approvals pertaining to the facility.
- (3) The directors have allocated the total revalued amount of the Facility of \$60,947,209 over the specific asset classifications for accounting purposes.
- (c) In accordance with paragraph 41, AASB 116, Property Plant & Equipment, the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost, has been transferred to Retained Earnings from the Asset Revaluation Reserve.



	2017 \$	2016 \$
5. Trade and other payables		
Trade creditors	295,709	205,748
Capital Creditors	39,663	398,088
Other creditors and accruals	549,278	334,519
Accommodation Deposits & Lease Premiums payable		
- Residential Aged Care - Bonds & Deposits (Homestead)	486,920	2,623,912
- Lease Premiums (Apartments)	-	225,400
- Lease Premiums (Village)	-	-
Refurbishments uplift repayments on vacation by leasee provision		
- Village	569,548	264,421
Unexpended future replacement contributions		
- Apartments	115,573	94,770
- Village	77,249	46,299
	2,133,940	4,193,157
	4 074 570	0.707.007
Current portion	1,371,570	3,787,667
Non current portion	762,370	405,490
	2,133,940	4,193,157
6. Provisions		
Annual leave accrued - employees	516,190	486,917
Provision for long service leave - employees	919,580	830,200
	1,435,770	1,317,117
Current portion	923,660	855,027
Non current portion	512,110	462,090
	1,435,770	1,317,117

#### **Employee Provisions**

Employee provisions represent amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.



	2017 \$	2016 \$
7. Other		
Residential Aged Care - Bonds & Deposits	9,788,130	9,457,171
Lease premiums		
Apartments	8,340,980	8,208,583
Village	24,855,786	18,247,250
	42,984,896	35,913,004

#### 8. Financial liabilites - Borrowings

The entity had no borrowings during the reporting period and there were no borrowings as at 30 June 2017.

		2017	2016
		\$	\$
9. R	evenue		
(a)	Operating Revenue		
	Client & Residential fees		
	- Residential Aged Care (Homestead)	2,228,966	2,063,319
	- Apartments	672,404	647,330
	- Village	366,330	246,734
	- Brokerage Services	624,539	473,148
	- CHSP #	255,977	370,324
	- HACC PYP #	66,666	-
		4,214,882	3,800,855
	Government service fees		
	- Residential Aged Care (Homestead)	6,712,984	5,628,332
	- Brokerage Services	172,635	130,176
	- Commonwealth (CHSP) #	1,388,239	2,081,837
	- State (HACC PYP) #	835,234	-
		9,109,092	7,840,345
	Bond Retentions & Deferred Lease Premiums		
	- Residential Aged Care (Homestead)	36,928	61,477
	- Apartments	229,323	245,767
	- Village	640,581	440,894
		906,832	748,138
	Transitional Care Program	157,028	155,309
		14,387,834	12,544,647

<sup>#</sup> From 1 July 2016 funding for Home & Community Care program was split between the State (HACC PYP) & the Commonwealth (CHSP)



		2017 \$	2016 \$
(b)	Other Revenue		
	Interest received	57,838	123,486
	Coffee Shop	104,045	89,895
	Donations	2,366	1,925
	Other (incl Net Proceeds from sale of Assets)	142,455	133,550
		306,704	348,856
	Total Operating Revenue	14,694,538	12,893,503
(c)	Government Capital Funding & Rebates Solar Transmission Certificates Home & Community Care Capital funding	-	20,000 69,328
	Total Government Capital & Rebates	-	89,328

#### 10. Related Party Disclosures

#### (a) **Directors**

The following persons acted as Directors of the Company during the period.

Andrew Brown Neville Seymour

Angela Collins Ray Snell (resigned November 2016)

Eleanor Fitz Andrew Williams

William Keeton (co-opted April 2017)

Trevor McLean (Chairman)

#### **Related Party Transactions**

Transactions with Directors or their interests:

The Directors did not receive any remuneration during the year.

There were no transactions with Directors or their related interests during the reporting period.



# 11. Segment Reporting / Entity Details

Westmont Aged Care Services Ltd operates a community owned not for profit business located at Baranduda, in the City of Wodonga, servicing surrounding areas and incorporates residential aged care, respite care, assisted living units, independant living villas and community care.

# 11. (a) Assets and liabilities and income and expenses by segment are set out below:

	Residential Aged Care	Aged Care	Apartments	nents	Village	eß	Community	unity	Total	a
	2017 \$	2016 \$	2017	2016 \$	2017	2016 \$	2017	2016 \$	2017	2016 \$
Assets										
Cash & cash equivalents	1,527,041	1,562,125	115,573	94,770	962,796	800,369		302,379	2,293,410	2,759,643
Trade & other receivables	174,671	253,382			562,241	1,377,752	250,376	150,878	987,288	1,782,012
Property, plant & equipment	22,298,322	20,593,822	9,639,423	0,600,000	30,190,046	21,695,378	182,259	234,263	62,310,050	52,123,463
Total Assets	24,000,034	22,409,329	9,754,996	9,694,770	31,403,083	23,873,499	432,635	687,520	65,590,748	56,665,118
Liabilities										
Trade & other payables	1,206,982	2,958,939	115,573	368,885	686,460	799,615	124,925	65,718	2,133,940	4,193,157
Provisions	1,435,770	1,317,117							1,435,770	1,317,117
Accommodation bonds / RAD's	9,788,130	9,457,171							9,788,130	9,457,171
Lease premiums			8,340,980	8,208,583	24,855,786	18,247,250			33,196,766	26,455,833
Total Liabilities	12,430,882	13,733,227	8,456,553	8,577,468	25,542,246	19,046,865	124,925	65,718	46,554,606	41,423,278
Net Assets	11,569,152	8,676,102	1,298,443	1,117,302	5,860,837	4,826,634	307,710	621,802	19,036,142	15,241,840





# 11. (b) Segment Revenues & Expenses:

	Residential Aged Care	Aged Care	Apartments	nents	Village	ge	Community	unity	Total	a
	2017	2016 \$	2017	2016 \$	2017	2016 \$	2017	2016 \$	2017	2016 \$
Revenue										
Government services fees	6,712,984	5,628,332					2,396,108	2,212,013	9,109,092	7,840,345
Client & Resident fees	2,228,966	2,063,319	672,404	647,330	366,330	246,734	947,182	843,472	4,214,882	3,800,855
Transitional Care	157,028	155,309							157,028	155,309
Retentions & deferred management fees	36,928	61,477	229,323	245,767	640,581	440,894			906,832	748,138
Interest received	30,661	98,608	5,417	11,805	21,760	13,073			57,838	123,486
Other revenue	147,456	151,034	34,597	12,722	2,179	3,865	64,634	57,749	248,866	225,370
Total Revenue	9,314,023	8,158,079	941,741	917,624	1,030,850	704,566	3,407,924	3,113,234	14,694,538	12,893,503
Operating expenses										
Resident & Client Care	4,327,710	4,143,993	33,805	28,735	10,360	400	2,613,939	2,590,463	6,985,814	6,763,591
Catering Services	1,534,719	1,486,208	279,840	310,545					1,814,559	1,796,753
Domestic Services	916,831	819,203	165,408	190,647	34,260	39,488	14,070		1,130,569	1,049,338
Maintenance & Grounds	477,377	427,397	158,008	164,862	275,299	162,126	150,434	122,878	1,061,118	877,263
Utilities	138,514	142,068	47,003	51,940	93,926	66,521			279,443	260,529
Administration	659,867	793,114	154,758	106,867	164,521	106,782	367,220	212,670	1,346,366	1,219,433
Finance costs	13,594	13,565	4,615	4,500	6,313	6,300			24,522	24,365
Corporate	287,566	281,824	44,957	30,658	63,968	29,195	75,409	82,790	471,900	424,467
Resident contributions & repayment provision	4,546	2,442	20,803	20,498	346,489	167,411			371,838	190,351
Depreciation	1,071,252	948,783	479,480	274,587	758,481	472,557	49,197	68,697	2,358,410	1,764,624
Total expenses	9,431,976	9,058,597	1,388,677	1,183,839	1,753,617	1,050,780	3,270,269	3,077,498	15,844,539	14,370,714
Profit or (loss) before capital funding	(117,953)	(900,518)	(446,936)	( 266,215)	(722,767)	(346,214)	137,655	35,736	(1,150,001)	(1,477,211)
Capital Funding & Rebates		20,000	1		1			69,328	1	89,328
Profit or (loss) after capital funding	(117,953)	(880,518)	(446,936)	(266,215)	(722,767)	(346,214)	137,655	105,064	(1,150,001) (1,387,883)	(1,387,883)



#### 12. Financial Risk Management

Interest rate exposure and market values.

	Floating Int	erest Rate	Non Interest Bearing	Total	Market Value
	> 1 year	1-2 years			
Financial Assets					
Cash at bank & on hand	2,290,760	-	2,650	2,293,410	2,293,410
Trade & other receivables	-	-	987,288	987,288	987,288
Total Financial Assets	2,290,760	-	989,938	3,280,698	3,280,698
Financial Liabilities					
Accommodation Bonds / RAD's	-	-	9,788,130	9,788,130	9,788,130
Lease Premiums					
Apartments	-	-	8,340,980	8,340,980	8,340,980
Village	-	-	24,855,786	24,855,786	24,855,786
Trade and Other Payables	290,500	197,915	1,645,525	2,133,940	2,133,940
Bank Borrowings - Secured	-	-	-	-	-
Total Financial Liabilities	290,500	197,915	44,630,421	45,118,836	45,118,836
Net Financial Assets / Liabilities	2,000,260	( 197,915)	( 43,640,483)	( 41,838,138)	( 41,838,138)

Weighted average interest rate financial assets = 2.10% (2016 2.0%) Weighted average interest rate financial liabilities = 3.75% (2016 3.75%)

	2017 \$	2016 \$
13. Profit before Income Tax		
Auditors remuneration for		
<ul> <li>Auditing the financial report</li> </ul>	7,600	7,290
- Other auditing services	625	610
Depreciation expense	2,358,410	1,764,624
Amount provided/(over-provided) for employee entitlements	118,653	361,417
Amount provided for uplift repayment	305,127	144,491
Interest paid - expensed	76,584	97,564
Interest received – other persons	57,838	123,486
Operating lease payments	30,723	44,350



#### 14. Capital Expenditure

#### **Capital Commitments**

The Company at 30 June 2017 had capital commitments on the following capital projects:

	2017	2016
	\$	\$
Independent Living Villas	1,140,000	569,000
Recreation Centre	1,523,500	
	2,663,500	569,000

#### 15. Leasing Commitments

There were no leasing commitments as at 30 June 2017.

#### 16. Contingent Liabilities

There were no contingent liabilities as at 30 June 2017.

#### 17. Members' Guarantee

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the entity. At 30 June 2017, the number of paid up members was 10.

#### 18. Bonds paid by Instalment

Westmont has a number of residents who are paying their entry contribution (bond) by instalments. The value of \$160,000 (2016 \$160,000) of the future instalments has not been brought to account in the financial statements.





#### 19. Credit and Standby Arrangements with Bankers

The Company has established the following credit standby arrangements with bankers:-

Type of Facility	Amount of Facility	Amount of Facility drawn down at 30.06.17
Bond liquidity (overdraft facility)	1,500,000	Nil
Apartment Lease Premium liquidity (overdraft facility)	500,000	Nil
Village Lease Premium liquidity (overdraft facility)	700,000	Nil
Trading liquidity (overdraft facility)	500,000	Nil

The Directors believe that with these arrangements, combined with projected future cash flows, all debts as they become due and payable will be met.

#### 20. Capital Management

Management controls the capital of the entity to ensure that adequate cash flows are generated to fund its programs and that returns from investments are maximised within tolerable risk parameters. The Finance and Audit Committee ensures that the overall risk management strategy is in line with this objective.

The Finance and Audit Committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed on a regular basis. These include credit risk policies and future cash flow requirements.

The entity's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market.

These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by management to control the capital of the entity since the previous year.

The gearing ratios for the year ending 30 June 2017 and 30 June 2016 are as follows:

	2017	2016
	\$	\$
Total borrowings	-	-
Less cash and cash equivalents	( 2,293,410)	(2,759,643)
Net debt	( 2,293,410)	(2,759,643)
Total equity (reserves & retained earnings)	19,036,142	15,241,840
Total capital	16,742,732	12,482,197
Gearing ratio	not applicable	not applicable
Gearing ratio including accommodation bonds and lease premiums (refer Note 7)	0.39%	0.35%



#### 21. Entity Details

The registered office of the entity is:

91 Hume Street Wodonga VIC 3690

The principal place of business is:

265 Baranduda Boulevard Baranduda VIC 3691





#### Director's Declaration

The directors of the registered entity declare that, in the directors' opinion:

- 1. The financial statements and notes, as set out on schedules 1 to 4, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and
  - a. comply with Accounting Standards; and
  - b. give a true and fair view of the financial position of the registered entity as at 30 June 2017 and its performance for the year ended on that date.
- 2. There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

Andrew Brown

Director & Chairman of Finance & Audit Committee

Dated this 20th day of September 2017



#### Independent Audit Report



575 Englehardt Street. Albury NSW 2640 PO Box 596 Albury Phones (02) 6041 529 Saur (02) 6041 589

#### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTMONT AGED CARE SERVICES LIMITED A.C.N. 112 051 457

Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Westmont Aged Care Services Limited, which comprises the statement of financial position as at 30 June 2017, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Westmont Aged Care Services Limited has been prepared in accordance with Div 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- giving a true and fair view of Westmont Aged Care Services Limited financial position as at 30 June 2017 and of its financial performance for the year then ended;
- complying with Australian Accounting Standards and Div 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

#### 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 Westmont Aged Care Services Limited 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 audit opinion.

#### Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in Westmont Aged Care Services Limited annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in

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#### Independent Audit Report

#### INDEPENDENT AUDIT REPORT TO THE MEMBERS OF WESTMONT AGED CARE SERVICES LIMITED A.C.N. 112 051 457

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doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated, If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Directors for the Financial Report

The directors of Westmont Aged Care Services Limited are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing Westmont Aged Care Services Limited's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate Westmont Aged Care Services Limited or to cease operations, or have 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 the 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 this 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.



#### Independent Audit Report

#### INDEPENDENT AUDIT REPORT TO THE MEMBERS OF WESTMONT AGED CARE SERVICES LIMITED A.C.N. 112 051 457

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- 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 Westmont Aged Care Services Limited's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Westmont Aged Care Services Limited'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 Westmont Aged Care Services Limited to cease to continue as a going
- 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 directors 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.

BOB TRAVERS & ASSOCIATES Chartered Accountant

ALBURY 20 September 2017 RJ Travers Principal





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