



Westmont 
Aged Care Services Ltd

FINANCIAL REPORT

2018-2019

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Director's Report

The Directors present their report with the financial report of Westmont Aged Care Services Limited for the period ended 30 June 2019.

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
Andrew Geoffrey Brown Registered Nurse Diploma of Management Tertiary studies in Health Sciences and Commerce GAICD	50	Director since 2013 Chairman since November 2018 Deputy Chairman 2016 – 2018 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 Albury Wodonga Health Board Director Tallangatta Health Service and Chairman 2012 - 2014 General Manager Client Services, Gateway Health - current
Dr William Robert Keeton PhD - Management Masters - Management Bachelor - Political Science	57	Director since 2017 Deputy Chairman since 2018 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
Andrew Williams Bachelor of Law	67	Director since 2004 Deputy Chairman 2008 – 2015 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
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	74	Director since 2004 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	80	Director since 2004 Deputy Chairman 2004 – 2008 21 years experience in local government as Councillor and Shire President 20 years Gundowring CFA Captain 2014 Member of Country Racing Working Party (3-year appointment) 2016 Director, Wodonga Cemetery Trust

Director's Report

Name and Qualifications	Age	Experience and Special Responsibilities
Angela Collins	59	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
Debbie MacKinlay Graduate Diploma in Management	61	Co-opted as Director February 2019 2015 – Current, Manager – Customer Service, North East Water Authority 1993 – 2015 Manager Community Lifestyle, City of Wodonga
Roger Snell Qualified Accountant	73	Co-opted as Director February 2019 2003-2009 CEO Lake Macquarie Private Hospital 1993-1998 CEO Hollywood Private Hospital, Western Australia 1986-88 VP COO Hospital Services of America, 22 Hospitals
Trevor McLean Bachelor of Commerce, Dip. Financial Planning, FCPA, FAICD	75	Resigned March 2019 Director since 2009 Deputy Chairman 2012 – 2013 Chairman 2013 – 2018 Managing Director, MAPS Group Ltd 11 years Director Finance & Treasury, City of Melbourne 9 years

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 owning and operating aged care facilities and the provision of aged care and related services.

Operating Result

The net deficit of the Company for the year ended 30 June 2019 was \$25,320 (2018: surplus of \$1,459,855). Prior to depreciation the Company had a surplus of \$1,760,275 (2018: surplus of \$3,221,996). 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.

Director's 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 2018/19 financial year. The operation is divided into four distinct segments, Residential Aged Care, Assisted Living Apartments, Retirement Village and Community Care Operation.

This financial year, the 40 Assisted Living Units, referred to as Westmont Apartments, continue to operate steadily. Occupancy for the most part, continues to be around 100% full, and a number of residents have taken the opportunity to move to The Homestead.

Westmont's Independent Living Units, referred to as Westmont Village, were completed and all units were available for occupation in the 4th quarter of the year. Units that have been vacated during the year have been filled quickly, so demand is still very strong.

The Recreation Centre, named "The Ray Snell Centre", as expected is being utilised for a large number of activities. This is not only a wonderful asset for Westmont, but for the broader community, where bookings have come for many diverse activities.

As in previous years, the Homestead (100 beds) residential aged care facility has maintained almost 100% occupancy throughout the year. The Homestead continues to be the cornerstone of Westmont's operation.

Community Care component of the Westmont business continues to see an increase across most areas of its operation, notably NDIS and Commonwealth Home Support, with Home Care Package uptake during the 2018/19 year, increasing to 113 Packages held at 30 June 2019. The shop front in Beechworth Road has provided easier access to clients as well as providing a more prominent shop front to potential new clients. The Willows site in MacFarland Road provides Social Support and Planned Activity programs. It is expected that the numbers participating in these programs will grow in 2019/20.

Residential Aged Care and Home Care Services rely heavily on funding from the Commonwealth Government. Unfortunately, the divide continues to widen between the funding received and the actual costs of running a quality service. The Royal Commission into Aged Care, Quality and Safety will hopefully highlight the need for sustainable funding levels for the industry for both residential and home care.

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.

Director's Report

Auditor's independence

The lead auditor's independence declaration for the year ended 30 June 2019 has been received and can be found below.

This report is signed in accordance with a resolution of the Directors.



Dr. William Keeton
Director & Member of Audit, Finance & Risk Committee

4 October 2019

Auditors' Independence Declaration

As lead auditor for the audit of Westmont Aged Care Services Pty Ltd for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

- a.) No contraventions of the auditor independence requirements of the *Corporations Act 2001* or *Australian Charities and Not for Profits Commission Act 2012* in relation to the audit; and
- b.) No contraventions of any applicable code of professional conduct in relation to the audit.

Johnsons MME
Chartered Accountants



Stephen Clarke
Director

Albury
4 October 2019

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2019

	NOTES	2019 \$	2018 \$
Revenue			
Revenue from Operating Activities	2	17,523,568	15,686,055
Revenue from Non-Operating Activities	2	814,512	2,093,575
		18,338,080	17,779,630
Expenditure			
Employee Benefits Expense	3	(12,181,930)	(10,523,510)
Finance Costs	3	(101,384)	(82,231)
Other Expenses	3	(4,294,491)	(3,951,893)
		(16,577,805)	(14,557,634)
Surplus for year before depreciation		1,760,275	3,221,996
Depreciation Expense	3	(1,785,595)	(1,762,141)
Surplus/(deficit) before income tax		(25,320)	1,459,855
Income tax expense	1(e)	-	-
Net surplus/(deficit) for the year		(25,320)	1,459,855
Other comprehensive income			
Items that will not be re-classified subsequently to profit or loss			
Net gain/(loss) on revaluation of non-current assets		(388,271)	488,195
Total comprehensive result for the year		(413,591)	1,948,050

The above statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement Of Financial Position

as at 30 June 2019

	NOTES	2019 \$	2018 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	5,395,849	4,394,589
Trade and other receivables	5	1,429,503	810,778
Other	6	197,501	186,728
Total current assets		7,022,853	5,392,095
Non-current assets			
Property, plant and equipment	7	37,090,373	38,513,046
Investment Property	8	42,651,024	37,044,500
Intangible Assets	9	16,240	16,240
Total non-current assets		79,757,637	75,573,786
Total assets		86,780,490	80,965,881
LIABILITIES			
Current liabilities			
Trade and other payables	10	1,947,799	1,716,926
Borrowings	11	742,980	-
Employee benefits	12	1,626,500	1,385,000
Other	13	58,726,435	53,842,465
Total current liabilities		63,043,714	56,944,391
Non-current liabilities			
Employee benefits	14	716,900	567,500
Provisions	15	398,127	418,650
Total non-current liabilities		1,115,027	986,150
Total liabilities		64,158,741	57,930,541
Net assets		22,621,749	23,035,340
EQUITY			
Retained surplus		2,766,354	3,716,251
Other reserves		2,185,063	1,260,486
Asset revaluation reserve		17,670,332	18,058,603
Total equity		22,621,749	23,035,340

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement Of Changes in Equity

for the year ended 30 June 2019

	NOTE	Retained Earnings \$	Asset Revaluation Reserve \$	Other Reserves	Total \$
Balance at 30 June 2017		2,754,512	17,570,408	762,370	21,087,290
Surplus/(deficit) for year		1,459,855			1,459,855
Revaluation increment/(decrement)			488,195		488,195
Transfer to/(from) reserves		(498,116)		498,116	-
Balance at 30 June 2018		3,716,251	18,058,603	1,260,486	23,035,340
Surplus/(deficit) for year		(25,320)			(25,320)
Revaluation increment / (decrement)			(388,271)		(388,271)
Transfer to/(from) reserves		(924,577)		924,577	
Balance at 30 June 2019		2,766,354	17,670,332	2,185,063	22,621,749

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2019

	2019	2018
	\$	\$
Cash flows from operating activities		
Receipts from residents and government	16,491,501	14,893,551
Payments to suppliers and employees	(15,885,944)	(13,872,183)
	605,557	1,021,368
Interest received	101,500	32,217
Interest Paid	(101,384)	(82,231)
Net cash inflow (outflow) from operating activities	605,673	971,354
Cash flows from investing activities		
Payments for property, plant & equipment	(751,193)	(2,249,224)
Payments for investment properties	(5,154,955)	(8,132,137)
Net cash inflow (outflow) from investing activities	(5,906,148)	(10,381,361)
Cash flows from financing activities		
Apartments Lease premiums received	1,206,500	942,000
Apartments Lease premiums repaid	(612,400)	(1,416,460)
Accommodation RAD's received	4,578,434	5,252,174
Accommodation bonds/ RAD's repaid	(5,068,117)	(3,197,043)
Villa lease premiums received	6,568,753	11,660,291
Villa lease premiums repaid	(1,114,415)	(1,729,776)
Proceeds from borrowings	742,980	-
Net Cash provided by (used in) Financing Activities	6,301,735	11,511,186
Net increase (decrease) in cash and cash equivalents held	1,001,260	2,101,179
Cash and cash equivalents at the beginning of the financial year	4,394,589	2,293,410
Cash and cash equivalents at the end of the financial year	4 5,395,849	4,394,589

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes To And Forming Part Of The Financial Statements

for the year ended 30 June 2019

1. Summary of significant accounting policies

(a) Basis of preparation of accounting

Westmont Aged Care Services Ltd ("the Company") applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not for Profits Commission Act 2012*. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 4 October 2019 by the Directors of the Company.

(b) Revenue

Revenue from Government subsidies and revenue from resident's contributions and deferred lease premiums, which are attributable to the current financial year, are recognised when accrued. Interest revenue is recognised when accrued. All revenue is stated net of the amount of goods and service tax (GST).

(c) Cash and cash equivalents

For the purposes of the statement of cash flows, cash includes deposits at call, which are readily convertible to cash on hand and are subject to an insignificant risk of change in value, net of any outstanding bank overdrafts.

(d) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost, less any provision for impairment. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision is raised when some doubt as to collection exists.

(e) Income Tax

The company is an approved Public Benevolent institution and, as such, is exempt from income tax.

(f) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Notes To And Forming Part Of The Financial Statements for the year ended 30 June 2019

1. Summary of significant accounting policies (continued)

(g) Property, plant and equipment

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

Property

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction), based on periodic, but at least triennial valuations by independent valuers, less accumulated depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the Directors conduct Directors' assessments to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are credited to an asset revaluation reserve in equity. Decreases that offset previous increases of the same asset class are recognised against the asset revaluation reserve directly in equity. All other decreases are recognised in the statement of profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount related to the revalued amount.

Plant & Equipment

Plant and equipment are measured at cost less accumulated depreciation and any impairment losses. Cost is measured as the fair value of the assets given up, liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. The purchase method of accounting is used for all acquisitions of assets.

The carrying amounts of property, plant and equipment are reviewed annually by the Directors to ensure they are not in excess of the recoverable amount from those assets.

Items with a cost in excess of \$1,000 are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

The depreciable amount of all fixed assets, including buildings is depreciated over their useful lives commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant & Equipment at cost	10%
Motor Vehicles	15%

An asset's carrying amount is written down to its recoverable amount. If the assets carrying amount is greater than its recoverable amount (refer note (i)).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

Notes To And Forming Part Of The Financial Statements for the year ended 30 June 2019

1. Summary of significant accounting policies (continued)

(h) Investment Property

Investment properties are held to generate lease income and capital appreciation. All tenant leases are on an arm's length basis. Investment properties are initially measured at cost and subsequently measured at fair value. Fair value is determined annually and any changes to fair value are recognised in the statement of profit or loss.

The fair value of investment properties is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. Fair value of investment properties is determined annually based on a valuation by an independent valuer with relevant professional qualifications. Fair values are generally determined using market information, including sale prices for similar properties in comparable locations.

(i) Impairment of Assets

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. As the company is a not-for-profit entity, the value in use is the depreciated replacement cost of the asset.

(j) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which remain unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) Employee entitlements

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The Company's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on Commonwealth Bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements of obligations for other long-term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

Notes To And Forming Part Of The Financial Statements for the year ended 30 June 2019

(l) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(m) Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties.

(n) New and Pending Accounting Standards and interpretations

The Company has adopted AASB 9 with a date of initial application of 1 July 2018. As a result the Company has changed its financial instruments accounting policies as detailed in this note. The company applies AASB 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for contracted receivables. While this represents a change in accounting policy from the former AASB 139 incurred loss approach, there has been no impact on the Company's opening and closing loss allowance for trade and other receivables.

As at 30 June 2019 the following standards that are relevant and applicable to the Company, had been issued but were not mandatory for the year ending 30 June 2019. The Company has not and does not intend to adopt these standards early.

AASB 15 - Revenue from contracts with customers, applicable for financial reporting periods beginning on or after 1 January 2019. The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. This standard is not expected to have a material impact on the Company.

AASB 16 – Leases, applicable for financial reporting periods beginning on or after 1 January 2019. The key changes introduced by AASB 16 include the recognition of operating leases (which are currently not recognised) on balance sheet. The assessment has indicated that most operating leases, with the exception of short term and low value leases will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability. In the operating statement, the operating lease expense replaced by depreciation expense of the asset and an interest charge.

Based on the Company's current lease commitments and an assumption of continuation of existing leasing arrangements, the directors expect that the transition to the new accounting standard will see the recognition of a \$0.260 million Right of Use Asset and a corresponding lease liability. It will also see a reduction in the lease expense as lease repayments apportioned between interest and principal reduction, and an increase in depreciation.

Notes To And Forming Part Of The Financial Statements for the year ended 30 June 2019

2. Revenue

	2019	2018
	\$	\$
Operating Activities		
Fees from Residents for Care Delivery	2,667,370	2,397,367
Fees from Community Clients	1,031,517	988,336
Government Service Fees for Care Delivery	6,456,996	6,412,537
Government Service Fees for Community Clients	4,354,392	3,197,790
Government Service Fees for Accommodation Supplements	396,378	483,144
Bond Retentions & Deferred Management Fees	1,264,096	1,059,204
Fees from Clients for Accommodation	1,189,406	987,292
Transitional Care Program	163,413	160,385
Total Revenue from Operating Activities	17,523,568	15,686,055
Non-Operating Activities		
Gain on revaluation of investment properties	451,569	1,805,545
Coffee Shop	118,248	107,643
Donations	8,705	1,366
Interest	101,500	32,217
Other (incl Net Proceeds from sale of Assets)	134,490	146,804
Total Revenue from Non-Operating Activities	814,512	2,093,575
Total Revenue	18,338,080	17,779,630

Notes To And Forming Part Of The Financial Statements for the year ended 30 June 2019

3. Expenses

	2019	2018
	\$	\$
Employee Benefits		
Salaries & Wages	9,407,702	8,323,911
Employee Provisions	1,942,254	1,626,988
Superannuation	1,016,362	858,210
Workcover	189,212	168,406
Less: Capitalised Wages	(373,600)	(454,005)
Total Employee Benefits	12,181,930	10,523,510
Other Expenses		
Clinical & Care Costs	1,251,045	437,350
Domestic Services incl Laundry	131,004	181,822
Coffee Shop	51,304	46,142
Food Services incl Meals on Wheels	817,052	846,515
Grounds, Repairs & Maintenance	599,688	499,927
Utilities	461,942	379,616
Insurance	51,022	49,632
IT & Communications	356,359	337,493
Other Expenses	575,075	1,173,396
Total Other Expenses	4,294,491	3,951,893
Final Costs		
Interest Expense on refund of accommodation deposits	66,136	55,046
Interest and facility fees on Bank accounts	35,248	27,185
Total Finance Costs	101,384	82,231
Total Expenses	16,577,805	14,557,634
Depreciation		
Buildings & improvements	1,367,537	1,385,024
Plant, Equipment & Fittings	322,402	296,500
Motor Vehicles	81,311	76,258
Leasehold Improvements	14,345	4,359
Total Depreciation	1,785,595	1,762,141

Notes To And Forming Part Of The Financial Statements for the year ended 30 June 2019

4. Current assets – Cash and cash equivalents

	2019	2018
	\$	\$
Cash on hand	2,550	2,550
Cash at bank and on term deposit	5,393,299	4,392,039
	5,395,849	4,394,589

5. Current assets – Trade and other receivables

Lease premiums	915,000	327,158
Homestead Resident fees	66,014	40,757
Community Care (incl HACC)	254,705	282,292
GST Refund	61,645	111,198
Other receivables	132,139	49,373
	1,429,503	810,778

Ageing

	Gross	Current	Overdue but not impaired		
			30+	60+	90+
Lease premiums	915,000	575,000	340,000	-	-
Homestead Resident fees	66,014	13,575	12,041	23,793	16,605
Community Care	254,705	237,763	331	7,179	9,432
GST Refund	61,645	61,645	-	-	-
Other receivables	132,139	132,139	-	-	-
	1,429,503	1,020,122	352,372	30,972	26,037

6. Current assets – Other

Prepayments	197,501	186,728
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Notes To And Forming Part Of The Financial Statements for the year ended 30 June 2019

7. Non-current assets – Property, plant and equipment

	2019	2018
	\$	\$
Freehold Land - at fair value	3,150,000	3,595,000
Buildings & improvements - at fair value	32,437,507	32,338,760
Less Accumulated Depreciation	(1,367,537)	-
Total buildings & improvements	31,069,970	32,338,760
Plant and equipment- at cost	1,385,543	2,948,195
Less Accumulated Depreciation	(422,328)	(2,081,843)
	963,215	866,352
Motor Vehicles- at cost	671,057	655,566
Less Accumulated Depreciation	(437,565)	(356,253)
	233,492	299,313
Lease hold improvements	127,356	68,020
Less Accumulated Depreciation	(26,441)	(12,096)
	100,915	55,924
Construction works in progress - at cost	1,572,781	1,357,697
Total property and equipment	37,090,373	38,513,046

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

	Land	Buildings & Improv.	Plant & Equipment	Motor Vehicles	Lease hold improv.	Work in Progress	Total
WDV 30 June 2018	3,595,000	32,338,760	866,352	299,313	55,924	1,357,697	38,513,046
Additions	-	-	3,627	-	3,676	5,896,775	5,904,078
Disposals	-	-	(4,262)	-	-	-	(4,262)
Transfers	-	42,018	419,900	15,490	55,660	(5,681,691)	(5,148,623)
Revaluation	(445,000)	56,729	-	-	-	-	(388,271)
Depreciation	-	(1,367,537)	(322,402)	(81,311)	(14,345)	-	(1,785,595)
WDV 30 June 2019	3,150,000	31,069,970	963,215	233,492	100,915	1,572,781	37,090,373

Land, buildings and improvements independently valued by Nelson Partners Australia Pty Ltd, certified practising valuers as at 30 June 2018. The valuation was at market value based on the going concern basis.

Notes To And Forming Part Of The Financial Statements for the year ended 30 June 2019

8. Non-current assets - Investment Property

	2019	2018
	\$	\$
Balance at the beginning of the period	37,044,500	27,106,818
Additions	5,154,955	8,132,137
Revaluation	451,569	1,805,545
Balance at end of the period	42,651,024	37,044,500

Investment Property independently valued by Nelson Partners Australia Pty Ltd, certified practising valuers at 30 June 2019. The valuation was at market value based on the going concern. This valuation included the recently constructed Ray Snell Recreation Centre. The Directors have elected to classify the Ray Snell Recreational Centre as building and improvements at Note 8.

9. Non-current assets - Intangible Assets

Water Licence	16,240	16,240
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10. Current liabilities – Trade and other payables

Trade creditors	417,551	970,095
Home Care Package Unspent Funds	982,265	354,255
Other creditors and accruals	547,983	392,576
	1,947,799	1,716,926

11. Current liabilities – Borrowings

Westpac line of credit facility - Apartments	195,500	
- Village	547,480	
	742,980	-

Security:

Westpac facility line of credit facility secured by:

- First registered mortgage by Westmont Aged Care Services over Westmont Aged Care Facility – Lot 1 265 Baranduda Boulevard, Baranduda VIC 3691;
- Fixed and floating charge by Westmont Aged Care Services over all assets and undertakings.

12. Current liabilities – Employee benefits

Provision for annual leave	685,600	609,700
Provision for long service leave	940,900	775,300
	1,626,500	1,385,000

Notes To And Forming Part Of The Financial Statements for the year ended 30 June 2019

13. Current liabilities – Other

	2019	2018
	\$	\$
Residential aged care – entry deposits	11,814,760	12,311,725
Lease premiums entry deposits:		
- apartments	8,354,162	7,685,037
- village	38,557,513	33,845,703
	58,726,435	53,842,465

All entry deposits, whether residential aged care or lease premiums are technically due within 12 months as they represent a present obligation to pay with no right of deferral. However, from historical trends and known facts the Directors only expect that \$7,200,000 (2018: \$6,794,932) to be paid out in the next 12 months.

Reconciliation:		
Opening balance	53,842,465	43,471,816
Add: entry deposit to be received	915,000	327,158
Add: Westmont Refurbishment Reserve Contribution	1,469	-
Add: entry deposits received	12,026,529	17,445,973
Less: entry deposits refunded	(6,794,932)	(6,343,279)
Less: retentions/deferred lease premiums paid	(1,264,096)	(1,059,203)
Closing balance	58,726,435	53,842,465

14. Non-current liabilities – Employee benefits

Provision for long service leave	716,900	567,500
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15. Non-current liabilities – Provisions

Independent living units – Lessees share of capital gain	398,127	418,650
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Notes To And Forming Part Of The Financial Statements for the year ended 30 June 2019

16. Segment Reporting / Entity Details

Westmont Aged Care Services Ltd operates a community owned, not for profit business at Baranduda, in the City of Wodonga, servicing the surrounding areas and incorporates residential aged care, respite care, assisted living units, independent living and community care. The community care operation is run out of two locations in Wodonga.

(a) Assets and liabilities

	Residential Aged Care						Apartments			Village			Community			Total					
	2019		2018		2019		2018		2019		2018		2019		2018		2019		2018		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Assets																					
Cash and cash equivalents	2,228,584	2,779,744	157,000	136,040	2,028,000	1,124,550	982,265	354,255	5,395,849	4,394,589											
Trade & Other receivables	301,434	388,057	273,063	-	722,859	327,158	329,648	282,291	1,627,004	997,506											
Property, plant & equipment	24,374,227	24,764,658	9,718,200	9,899,594	2,803,882	3,648,630	194,064	200,164	37,090,373	38,513,046											
Investment Properties	-	-	-	-	42,651,024	37,044,500	-	-	42,651,024	37,044,500											
Intangible Assets	-	-	-	-	16,240	16,240	-	-	16,240	16,240											
Total Assets	26,904,245	27,932,459	10,148,263	10,035,634	48,222,005	42,161,078	1,505,977	836,710	86,780,490	80,965,881											
Liabilities																					
Trade & Other Payables	509,802	850,150	48,277	-	119,726	450,668	1,269,994	416,111	1,947,799	1,716,929											
Financial Liabilities	-	-	195,500	-	547,480	-	-	-	742,980	-											
Provisions	-	-	-	-	398,127	418,650	-	-	398,127	418,650											
Employee Benefits	2,343,400	1,952,500	-	-	-	-	-	-	2,343,400	1,952,500											
Accommodation Deposits	11,814,760	12,311,725	-	-	-	-	-	-	11,814,760	12,311,725											
Lease Premiums	-	-	8,354,162	7,685,037	38,557,513	33,845,700	-	-	46,911,675	41,530,737											
Total Liabilities	14,667,962	15,114,375	8,597,939	7,685,037	39,622,846	34,715,018	1,269,994	416,111	64,158,741	57,930,541											
Net Assets	12,236,283	12,818,084	1,550,324	2,350,597	8,599,159	7,446,060	235,983	420,599	22,621,749	23,035,340											

Notes To And Forming Part Of The Financial Statements for the year ended 30 June 2019

16. Segment Reporting / Entity Details (continued)

(b) Revenues & Expenses

Revenue	Residential Aged Care		Apartments		Village		Community		Total	
	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$
Government Service fees	6,853,374	6,895,681	-	-	-	-	4,354,392	3,197,790	11,207,766	10,093,471
Client & Resident fees	2,491,042	2,209,020	699,803	672,411	665,932	503,228	1,031,517	988,336	4,888,294	4,372,995
Transitional Care	163,413	160,385	-	-	-	-	-	-	163,413	160,385
Retentions	7,282	18,456	-	-	-	-	-	-	7,282	18,456
Deferred management fees	-	-	174,975	181,483	1,081,839	859,265	-	-	1,256,814	1,040,748
Valuation increment	-	-	-	-	451,569	1,805,545	-	-	451,569	1,805,545
Interest	35,465	3,947	8,380	2,902	49,146	25,368	8,508	-	101,499	32,217
Other revenue	124,740	140,585	36,731	20,088	33,957	20,292	66,015	74,848	261,443	255,813
Total Revenue	9,675,316	9,428,074	919,889	876,884	2,282,443	3,213,698	5,460,432	4,260,974	18,338,080	17,779,630
Operating Expenses										
Resident & Client Care	4,751,807	4,477,873	8,700	7,500	-	-	4,462,912	3,429,914	9,223,419	7,915,287
Catering Services	1,516,974	1,426,765	334,026	313,067	-	-	23,508	-	1,874,508	1,739,832
Domestic Services	934,185	930,291	231,718	286,797	17,800	40,067	41,321	27,794	1,225,024	1,234,949
Maintenance & Grounds	586,734	440,437	127,719	141,326	411,295	419,102	41,381	28,702	1,167,129	1,029,567
Utilities	212,400	202,885	99,343	89,900	238,632	191,319	44,244	46,921	594,619	531,025
Administration	661,018	675,828	108,484	140,944	120,147	121,806	486,770	292,974	1,376,419	1,231,552
Finance Costs	80,229	66,378	7,906	5,537	8,259	10,316	4,990	-	101,384	82,231
Corporate	427,213	397,262	44,720	26,620	117,753	31,309	425,617	338,000	1,015,303	793,191
Total operating expenses before depreciation	9,170,560	8,617,719	962,616	961,691	913,886	813,919	5,530,743	4,164,305	16,577,805	14,557,634
Surplus for year before depreciation	504,756	810,355	(42,727)	(84,807)	1,368,557	2,399,779	(70,311)	96,669	1,760,275	3,221,996
Depreciation	1,147,936	1,084,940	416,786	457,353	178,032	148,132	42,841	71,716	1,785,595	1,762,141
Net surplus/(deficit) for the year	(643,180)	(274,585)	(459,513)	(542,160)	1,190,525	2,251,647	(113,152)	24,953	(25,320)	1,459,855

Notes To And Forming Part Of The Financial Statements for the year ended 30 June 2019

17. Contingent Liability

The Directors are not aware of any contingent liability that may exist as at 30 June 2019.

18. Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, accommodation bonds and lease premiums. The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		2019	2018
		\$	\$
(i) Financial Assets			
Cash on hand	4	5,395,849	4,394,589
Trade and other receivables	5	1,429,503	810,778
Total Financial Assets		6,825,352	5,205,367
(ii) Financial Liabilities			
Trade and other payables	10	1,947,799	1,716,926
Borrowings	11	742,980	-
Residential aged care – bonds and deposits	13	11,814,760	12,311,725
Lease Premiums			
- Apartments	13	8,354,162	7,685,037
- Village	13	38,557,513	33,845,703
Total Financial Liabilities		61,417,214	55,559,391

19. Events occurring after balance date

The Company entered into an agreement on 30 August 2019 to purchase a site in Baranduda to establish further retirement living and residential aged care facilities in the future. This purchase is expected to settle on 18 December 2019.

No other matters have arisen in the period between the end of the financial year and the date of these financial statements that would affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

20. Commitments for Capital Expenditure

Capital commitments payable as follows:			
Independent Living Villas		-	2,036,000
Gardens Compound		-	242,000
Solar System – Caravan Shelter		14,000	-
		14,000	2,278,000

Notes To And Forming Part Of The Financial Statements for the year ended 30 June 2019

21. Related party transactions

(a) Directors

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

Andrew Brown	Trevor McLean (resigned March 2019)
Angela Collins	Neville Seymour
Eleanor Fitz	Roger Snell (co-opted February 2019)
William Keeton	Andrew Williams
Debbie MacKinlay (co-opted February 2019)	

- i. The Directors did not receive any remuneration during the year; and
- ii. There were no transactions with Directors or their related parties during the year.

(b) Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly. The key management personnel of the entity comprise the Directors and senior management.

	2019	2018
	\$	\$
Aggregate remuneration paid to key management personnel for the year	641,645	585,540

22. Members guarantee

The Company is incorporated as a Company Limited by guarantee under the Corporations Act 2001. If the Company is wound up the constitution states that each member is required to contribute to a maximum of \$100 each towards meeting any outstanding obligations. As at 30 June 2019 there was 9 members (2018: 10 members).

23. Fair value measurements

The Company has the following assets that are measured at fair value on a recurring basis after initial recognition. The Company does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.

	2019	2018
	\$	\$
Assets		
Land (i)	3,150,000	3,595,000
Buildings and improvements (i)	31,069,970	32,338,760
Investment properties (ii)	42,651,024	37,044,500
	76,870,994	72,978,260

- i. The fair value of freehold land, buildings and improvements based on an external independent valuation performed in June 2019.
- ii. The fair value of freehold investment properties based on an external independent valuation performed in June 2019.

Director's Declaration

The Directors declare that the financial statements and notes as set out on pages 6 to 23:

- (a) Comply with Australian Accounting Standards – Reduced Disclosure Requirements, the *Australian Charities and Not-for-profits Commission Regulations 2013*; and
- (b) Give a true and fair view of the Company's financial position as at 30 June 2019 and of its performance, as represented by the results of its operations and its cash flows for the financial year ended on that date.

In the Director's opinion:

- (a) The financial statements are in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Dr. William Keeton
Director and Member of the Audit, Finance & Risk Committee

4 October 2019


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Independent auditor's report to the members of Westmont Aged Care Services Limited.

Opinion

We have audited the accompanying financial statements of Westmont Aged Care Services Limited (the Company), which comprises the statement of financial position at 30 June 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes, and directors declaration.

In our opinion, the financial statements of the company are in accordance with 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 2019 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and complying with the *Australian Charities and Not for Profits Commission Regulation 2013*.

Basis of 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 Statements* section of our report. We are independent of the company in accordance with the auditor independence 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 statements in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001* and the Australian Charities and Not for Profits Commission Act 2012.

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

Information Other than the Financial Report and Auditor's Report

The directors of the Company are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial statements 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 statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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.

Independent auditor's report (continued)

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards – reduced disclosure requirements 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 statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Johnsons MME
Chartered Accountants



Stephen Clarke
Director

Albury
4 October 2019

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Westmont

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