



Manor Court

WERRIBEE AGED CARE LTD



Annual Report

2017 - 2018



Manor Court

WERRIBEE AGED CARE LTD

Vision Statement

To be the facility of choice for residential aged care in the Wyndham community.

Mission & Purpose Statement

To provide premier resident - centred care for the aged within our high-quality facilities.

Our Values

Wyndham Focus

Engagement ... With Stakeholders

Community Ownership

Accountability ... of Staff, Service Providers, Management

Respect ... for Residents, Families and Staff

Excellence ... in all We Do

RESIDENT IMAGES

Chairmans' Report



The last 12 months has been a challenging time for the aged care industry, however I continue to be incredibly proud of the service and care provided to our residents and their families at Manor Court.

We hear so much about in the media about the horror stories experienced at a minority of facilities, and it's fair to say that these stories are the worst nightmare for anyone who has a loved one in care.

As a Board we are committed to providing a home for our residents, in which they will feel safe, respected and cared for. Being a not-for-profit facility means that we can truly put the needs of our residents first as profits are invested back into Manor Court and corners don't need to be cut or services compromised to meet the needs of shareholders. We consider our residents our shareholders and it is this approach that will continue to set us apart from the rest.

This year we developed a three year Strategic Plan for Manor Court that maps out how we will continue to improve our service delivery, exceed legislative requirements, support our staff and enhance the facility itself. It is critical that we continue to look ahead and think strategically about best practice service delivery in aged care and what we need to do to deliver it.

The aged care industry is highly regulated – as it should be, and we welcome the opportunity to highlight our unblemished audit record and continue to improve. This year we received two unannounced accreditation visits which are invaluable in enabling us to maintain an ongoing compliance program. Manor Court was found to be completely compliant for both of these visits and this was further reinforced in our three year accreditation audit which took place in July 2018. The full compliance with all 44 standards was an expected result, but still one we are incredibly proud of. Maintaining this level of care does not just happen – it is a credit to our incredible staff under the leadership of Managing Director, Ross Smith, Director of Nursing, Kerry Bailey and Chef and Services Manager, Carmelo Santo and their teams of dedicated staff.

This year we welcomed new faces to the team at Manor Court, with Adela Lupsa joining us to take care of our Finance and IT areas and Nicole Whiting joining the Board as a Director -taking over from Wayne Bingham who resigned from the Board due to work commitments. I would like to take this opportunity to recognise Wayne's contribution to the Board, particularly his leadership on the solar energy project which is now coming to fruition and will provide a lasting benefit to the facility for years to come.

Whilst this year's financial end result was slightly lower than what was budgeted, it is a positive result in what was an extremely competitive and highly volatile time within the sector. I am also confident that the foundation work on a number of key projects carried out in 17/18 will provide ongoing financial benefits through the optimisation of alternative revenue streams. This year we also looked for ways to reduce overheads through the use of solar energy and a renewed focus on key suppliers.

I would like to thank the Board for their ongoing commitment this year and their strategic approach to how we can continue to provide outstanding services now and in the future. A special mention to Deputy Chairman, Callum Scott who's support and insight has been greatly appreciated. Ultimately however, our facility is nothing without our staff – and I would like to thank Ross Smith, Kerry Bailey, Carmelo Santo, Adela Lupsa and Lyn Wood for their outstanding work, as well as the entire team of staff who do an amazing job day after day. As we move into 18/19 amidst an Aged Care Royal Commission and an unprecedented focus on the industry overall, I am confident that Manor Court will continue to be an example of how aged care should be provided.

Emily Keogh
Chairman

Managing Directors Report



The aged care industry is probably the most regulated industry in the country, but with the publicity of the last 18 months, most members of the public believe the problems are widespread, and the industry is out of control.

What is out of control, is that the funding provided by Federal Government and the resident, is not sufficient for aged care providers to provide the level of care & the level of services, that the public think we should provide.

It is expected that the situation will get considerably worse, as the information provided to the government by the Bureau of Statistics, indicates that;

- Our population was ageing rapidly, and the number of people accessing aged care services would double between 2010 & 2025.
- Spending on aged care including pensions, would increase from \$15 billion in 2015, to \$23 billion by 2022.
- That the aged care budget would exceed the hospital & health budget in 2022.
- That 60,000 residential care beds need to be built by 2028 to meet demand, but the industry only added 25,000 in the last 10 years.
- That spending on aged care was increasing by more than 7% a year.

Faced with a massive budget issue, the government took the decision to reduce funding to aged care by:

- Diverting funding from residential care to home care & NDIS, to convince people to stay in their own home longer.
- Freezing the funding to residential care for the year 2017-2018.

These decisions have plunged the residential care sector into a financial crisis, where 40% of facilities are trading at a loss, and facilities are being forced to reduce services/costs to survive.

The industry has also been subject to a media campaign for the last 18 months, highlighting instances of poor care. This started in February 2017 with the closure of the Oakden Home in Adelaide, and has continued since. The media has adopted the catch line 'Aged Care in Crisis', and even though the instances have been few in number, the perception of the public is that residential care is providing a poor service. The Federal Government has now announced a Royal Commission into the aged care sector, which has been applauded by most people in the industry.

All we are asking for as an industry, is enough funding to provide the level of care expected by the public.

Financial Results

The financial results for the 12 months to 30 June 2018 were:

- Actual trading profit of \$622,000 compared to a budget trading profit of \$658,000.
- Net profit \$232,000 compared to a budget of \$280,000. This figure includes \$118,000 of rental income from the independent living units, so the aged care facility made a profit of \$114,000.

This was a pretty good result, considering the tough trading conditions we experienced during the year. Factors that contributed to the result were.

- Respite occupancy dropped right off in the second half of the year.
- The longer the 'Aged Care in Crisis' ran in the media, the more enquiries dropped off.
- Our essential services, gas, electricity & water continued to rise during the year. As a major user, we are able to tender our electricity usage to the market, but we don't qualify as a large user of gas, and we are locked into the same rising prices as households.

- We budgeted for a 1.2% funding increase in 2016/17, but the government froze our funding at 30.06.2016 levels for the year.
- We adjusted our rosters during the year to reflect our occupancy levels.

Accreditation

- During the year we were subject to two unannounced accreditation visits on 05.10.2017, & 29.05.2018. We were found to be fully compliant in all standards audited during these visits.
- The Quality Agency aims to conduct two unannounced visits during each financial year.
- Our full three-year accreditation audit occurred on 31.07.2018 & 01.08.2018. We have since received advice that we are fully compliant on all of the 44 standards audited, and our license to operate has been extended until 27.10.2021.

Staff

- We currently have 115 staff on our books, which equates to 1.2 staff per resident at current occupancy levels.
- Our average years of service for permanent staff is 7.2 years, up from 6.4 years in the previous period. This recognises the very stable workforce we have built up over the last few years. Just over 21% of our permanent staff have 10 years' service or greater. This is important for residents, as familiar staff make it far easier for residents to adapt to residential care.

During the year:

- Sandra Fisher – Lifestyle Assistant achieved 15 years' service.
- Namali Abeysinghe - Laundry Assistant achieved 15 years' service.
- Lyn Wood – Accounts office achieved 15 years' service.

We thank all of our staff for the efforts made to ensure we provide the best service possible to the residents.

Volunteers

Society has changed considerably over the last 15-20 years, and volunteers are very difficult to come by. A lot of people are not prepared to give their time up to volunteer, unless they are going to be paid.

We are always on the lookout for more volunteers. If you know of someone who is able to give as little as on or two hours a week of their time, Sharon from our lifestyle team would love to hear from you.

We thank all of the volunteers who have worked at Manor Court during the year.

Capital Improvements

The Board has continued to ensure that our buildings and fixtures are maintained in top condition. During 2017/2018 we spent \$79,780 on improvements to our existing buildings, and the replacement of equipment.

The major items were:

- Wall mounted TV's to resident rooms - \$4,000
- Hilo Electric beds for resident rooms - \$8,700
- Accounts & nurse office upgrades - \$12,100
- Replacement of IT equipment - \$7,500
- The Board is currently working towards a significant upgrade of the Knight & Gardiner units – Est \$450,000
- The works will involve removing walls to create a large open area combining the Knight home room, the passage & the Gardiner dining room. We expected the work to be completed by end March 2018 but the works had not started. As a result, the Board terminated the architect and a new one has been appointed. The current indication is that the works will be completed by Easter 2019.

Senior Management Staff

A major contributor to the success of our business, is the stable senior management team, with nearly 105 years combined service at Manor Court.

- Kerry Bailey – Director of Nursing. Kerry has been at Manor Court for just over 12 years, in charge of the nursing & lifestyle departments.

- Carmelo Santo – Chef & Services Manager. Carmelo looks after the cooking, cleaning & laundry. Carmelo has been with us nearly 23 years, and is assisted by second chef Nitin Kaushik.
- Adela Lupsa joined the team at the start of this year, and controls the accounting, IT & administration functions. Adela replaced Wanda Tullio, who was with Manor Court for 4 years.
- Kerry is supported by Registered Nurses Sharnie Bailey – 12 years & Rachael Shalders – 6 years, who also maintain management coverage of the facility on weekends.
- Sharon Smith has been with us nearly 20 years, and runs the Lifestyle Department.
- Mick Micallef runs our Maintenance Department, and has been with us 18 years.

Influenza & Gastroenteritis

Winter last year saw widespread Influenza & Gastroenteritis across Australia that impacted all age groups. Aged care was impacted worse than some other sectors due to the fragile nature of some residents, with more than 650 residents hospitalized, and 100 deaths.

Manor Court has had a strict infection control process for many years, which includes handwashing facilities for visitors at the front door. As a result of our vigilance we had no cases of influenza or gastro.

Solar Power

As a large user of gas & electricity, Manor Court has suffered just like the public, with rapidly increasing gas & electricity prices. The Board recently approved the expenditure of \$130,000 for the installation of a 100kw solar panel system.

The system should be operational by 31.10.2018, and provide about one third of our peak power usage.

The system has an expected life of 25 years, and we should provide a payback of around 6 years.

Asset Revaluation

The Board engaged a firm of professional asset valuers, to assess the current value of the land & buildings of the business. The valuation revealed that our land and buildings were worth more than shown in the balance sheet of the business, and the increased valuation has been adopted by the Board, and included in the 30.06.2018 Balance Sheet.

The Future Direction for Manor Court

During the year the Board adopted a new three-year Strategic Business Plan. This is effectively a blueprint of where the Board of Directors wants the business to go, during this period.

Since the plan was adopted in September 2017, the industry has been subject to 12 months of constant negative press, culminating in the announcement of a Royal Commission a few weeks ago.

The aged care environment has changed significantly in the last 12 months, and we are now looking at a long period of uncertainty, and the prospect of significant change in the future.

- The reputation of the industry has been trashed in the last 12 months, and occupancy rates are falling rapidly across the country.
- Independent research of 950 aged care facilities, reveal 40% are trading at a loss, and the situation is getting worse.
- Since the announcement of the Royal Commission, around 30-35% of the share price has been wiped off the big listed providers.
- Who is going to borrow to expand bed capacity when there is no certainty of filling the beds.
- The Royal Commission doesn't report to the Government until 31.10.2019, so we are in for another 12 months of 'aged care bashing'. The Board is currently reviewing its strategic plan, and implement changes to our business model, to ensure Manor Court remains strong and relevant, and that we don't put the business in jeopardy.

Board

During the year, Wayne Bingham left the Board due to business commitments. Nicole Whiting joined the Board in April 2018. I would like to thank the Board of Directors for their support during the financial year. In particular Chairman Emily Keogh, and Deputy Chair Callum Scott, who have been of great assistance to me.

Ross A Smith
Managing Director

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Consolidated Financial Statements

For the Year Ended 30 June 2018

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

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Directors' Report

30 June 2018

The directors present their report, together with the consolidated financial statements of the Group, being the Company and its controlled entity, for the financial year ended 30 June 2018.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Dr C Scott

Qualifications BSc (Hons) Chem Eng, GDipEd, GDipCInfSc, Msc, PhD, BA, AMFBAA, QPIA

Experience 10 years experience in residential aged care

Special responsibilities Deputy Chairperson since 01 December 2017

Ms E C Keogh

Qualifications Bachelor of Arts (Journalism), Bachelor of Laws, Diploma of Frontline Management

Experience Wyndham City, Manager Corporate Affairs; 7 years experience in residential aged care

Special responsibilities Chairman of the Board since 01 December 2017

Mr I S Knight OAM

Qualifications Investor

Experience 39 years experience in residential aged care

Mr R A Smith

Qualifications Dip Bus Accounting, FCPA, FCIS, AICD

Experience 22 years experience in residential aged care

Special responsibilities Managing Director

Mr N Tsardakis

Qualifications FAICD

Experience 18 years experience as a director in residential aged care and 30 years experience in Banking, Capital Markets and Financial Services

Mrs K Munton

Qualifications BNurs, GradCertAdvNurs, CertIVWkTrainAssess, Graduate Certificate in Management (Health Leadership)

Experience 24 years in Hospitals and Aged Care incorporating clinical nursing, staff development and hospital management, 4 years experience in residential aged care

Mr W R Bingham

(Resigned 30 November 2017)

Qualifications Bachelor of Business (Accounting), CPA Associate

Experience 6 years experience in not-for-profit assisting veterans, 3 years experience in residential aged care

Directors' Report

30 June 2018

1. General information

Information on directors

Mr I S Hovey

Qualifications

Experience

Diploma of Business Studies (EDP) - Gordon Institute of Technology

41 years as an IT professional in mining, banking, manufacturing and local government. 3 years experience in residential aged care

Mrs N Whiting

Qualifications

(Appointed on 05 April 2018)

Peri Operative Educator – Registered Nurse

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

Principal activities

The principal activity of the Group during the financial year was the provision of residential aged care services.

No significant change in the nature of these activities occurred during the year.

Short term objectives

The Group's short term objectives are to:

- continue to market our facility, and achieve and maintain full occupancy.
- ensure the financial viability of the business.
- meet the requirements of the Aged Care Act 1997, for accreditation of the facility and its buildings.

Long term objectives

The Group's long term objectives are to:

- maintain and upgrade our buildings to meet the demands of the next generation of residents.
- ensure the financial viability of the business.

Strategy for achieving the objectives

To achieve these objectives, the Group has adopted the following strategies:

- focus on retention and continuity of our senior management staff.
- alliances with training organisations to train nursing staff at our facility. This gives us access to a regular supply of quality staff.

Directors' Report

30 June 2018

1. General information

Performance measures

The following measures are used within the Group to monitor performance:

- financial performance to budgets.
- compliance with the 44 aged care accreditation standards.
- internal audits of processes and practices.
- feedback from residents and families about the quality of the services provided.
- achieving and maintaining full occupancy.

Members guarantee

Manor Court Werribee Aged Care Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 0.50, subject to the provisions of the company's constitution.

At 30 June 2018 the collective liability of members was \$ 35 (2017: \$ 35).

2. Operating results and review of operations for the year

Operating results

The consolidated surplus of the Group amounted to \$ 232,068 (2017: \$ 291,529).

3. Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of entities in the Group during the year.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Future developments and results

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Directors' Report

30 June 2018

3. Other items

Environmental issues

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Meetings of directors

During the financial year, 11 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Dr C Scott	11	9
Ms E C Keogh	11	9
Mr I S Knight OAM	11	9
Mr R A Smith	11	11
Mr N Tsardakis	11	9
Mrs K Munton	11	8
Mr W R Bingham	4	4
Mr I S Hovey	11	10
Mrs N Whiting	4	4

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Manor Court Werribee Aged Care Ltd.

Proceedings on behalf of company

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.

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Directors' Report

30 June 2018

Auditor's independence declaration

The lead auditor's independence declaration in accordance with Section 60.40 of the *Australian Charities and Not-for-profits Commission Act 2012*, for the year ended 30 June 2018 has been received and can be found on page 6 of the consolidated financial report.

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

Director:

Ms E C Keogh

Director:

Mr R A Smith

Dated this 25th day of October 2018

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

NAPS ID: 823

Auditor's Independence Declaration under Subdivision 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 to the Directors of Manor Court Werribee Aged Care Ltd and Controlled Entity

As lead audit partner for the audit of the financial statements of Manor Court Werribee Aged Care Ltd for the financial year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

**Nexia Melbourne Audit Pty Ltd**
Melbourne**Geoff S. Parker**
DirectorDated this 25 day of OCTOBER 2018



Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2018

		2018	2017
	Note	\$	\$
Revenue	4	7,458,566	7,283,089
Other income	4	92,511	41,426
		<u>7,551,077</u>	<u>7,324,515</u>
Employee benefits expense	5	(5,642,355)	(5,418,865)
Depreciation expense	5	(366,022)	(366,484)
Catering expense		(314,647)	(313,955)
Medical supplies		(234,782)	(224,358)
Insurance		(34,486)	(29,524)
Repairs and maintenance		(77,958)	(94,112)
Occupancy		(208,242)	(186,328)
Telephone expenses		(23,970)	(38,354)
Cleaning expenses		(66,972)	(55,536)
Accounting & compliance costs		(46,183)	(27,860)
Other expenses		(279,048)	(252,420)
Finance costs	5	(24,344)	(25,190)
Surplus for the year		<u>232,068</u>	<u>291,529</u>
Revaluation changes for property, plant and equipment		<u>1,075,000</u>	-
Other comprehensive income for the year, net of tax		<u>1,075,000</u>	<u>-</u>
Total comprehensive income for the year		<u>1,307,068</u>	<u>291,529</u>
Profit attributable to:			
Members of the parent entity		<u>232,068</u>	<u>291,529</u>
Total comprehensive income attributable to:			
Members of the parent entity		<u>1,307,068</u>	<u>291,529</u>

The accompanying notes form part of these financial statements.

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

**Consolidated Statement of Financial Position
As At 30 June 2018**

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	4,908,837	3,352,808
Trade and other receivables	7	100,213	127,485
Other financial assets	8	145,153	141,899
Other assets	9	59,087	52,609
TOTAL CURRENT ASSETS		<u>5,213,290</u>	<u>3,674,801</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	13,232,394	12,444,900
TOTAL NON-CURRENT ASSETS		<u>13,232,394</u>	<u>12,444,900</u>
TOTAL ASSETS		<u>18,445,684</u>	<u>16,119,701</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	9,011,099	8,045,961
Borrowings	12	125,000	125,000
Employee benefits	13	721,910	677,643
TOTAL CURRENT LIABILITIES		<u>9,858,009</u>	<u>8,848,604</u>
NON-CURRENT LIABILITIES			
Employee benefits	13	155,770	146,260
TOTAL NON-CURRENT LIABILITIES		<u>155,770</u>	<u>146,260</u>
TOTAL LIABILITIES		<u>10,013,779</u>	<u>8,994,864</u>
NET ASSETS		<u>8,431,905</u>	<u>7,124,837</u>
EQUITY			
Reserves		4,938,693	3,863,693
Retained earnings		3,493,212	3,261,144
TOTAL EQUITY		<u>8,431,905</u>	<u>7,124,837</u>

The accompanying notes form part of these financial statements.

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Consolidated Statement of Changes in Equity For the Year Ended 30 June 2018

2018

	Retained Earnings	Capital Surplus Reserve	Asset Revaluation Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2017	3,261,144	1,138,693	2,725,000	7,124,837
Surplus for the year	232,068	-	-	232,068
Total other comprehensive income for the year	-	-	1,075,000	1,075,000
Balance at 30 June 2018	3,493,212	1,138,693	3,800,000	8,431,905

2017

Balance at 1 July 2016	2,969,615	1,138,693	2,725,000	6,833,308
Surplus for the year	291,529	-	-	291,529
Balance at 30 June 2017	3,261,144	1,138,693	2,725,000	7,124,837

a. Asset Revaluation Surplus

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

b. Capital Surplus Reserves

The capital surplus reserve records realised gains on sale of non-current assets.

The accompanying notes form part of these financial statements.

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Consolidated Statement of Cash Flows For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		7,466,150	7,350,650
Payments to suppliers and employees		(6,873,240)	(6,505,566)
Interest received		98,980	70,597
Interest paid		(22,279)	(23,720)
Net cash provided by operating activities	20	<u>669,611</u>	<u>891,961</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(78,516)	(129,121)
Net cash used in investing activities		<u>(78,516)</u>	<u>(129,121)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net accommodation bonds received/(paid)		968,188	1,685,915
Proceeds from borrowings		-	125,000
Net cash provided by/(used in) financing activities		<u>968,188</u>	<u>1,810,915</u>
Net increase/(decrease) in cash and cash equivalents held		1,559,283	2,573,755
Cash and cash equivalents at beginning of year		<u>3,494,707</u>	<u>920,952</u>
Cash and cash equivalents at end of financial year	6	<u><u>5,053,990</u></u>	<u><u>3,494,707</u></u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2018

The consolidated financial report covers Manor Court Werribee Aged Care Ltd and its controlled entities ('the Group'). Manor Court Werribee Aged Care Ltd is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The consolidated financial report was authorised for issue by the Directors on 25 October 2018.

Comparatives are consistent with prior years, unless otherwise stated.

The Group is an entity to which ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 applies and, accordingly amounts in the consolidated financial statements and Directors' Report have been rounded to the nearest dollars.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.

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

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 16 to the financial statements.

(b) Income Tax

The Group is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Group and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Government subsidies

Revenue received from government subsidies is recognised at fair value when the right to receive the income is established.

Provision of services

Revenue from the provision of accommodation and care services (resident fees) is recognised upon delivery of the services to the resident.

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised using the effective interest method.

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the consolidated statement of financial position.

(e) 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.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(e) Property, plant and equipment

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Land and buildings are measured using the revaluation model.

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Group, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5%
Plant and Equipment	7.5 - 33.3%
Motor Vehicles	20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(f) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the consolidated statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Group's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Group renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Group does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

Assets included within this category are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Group's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category.

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in the prior period consolidated statement of profit or loss and other comprehensive income resulting from the impairment of debt securities are reversed through the consolidated statement of profit or loss and other comprehensive income, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Group's financial liabilities include trade and other payables, which are measured at amortised cost using the effective interest rate method.

Impairment of Financial Assets

At the end of the reporting period the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(g) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(i) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the nominal amount.

(j) Accommodation bonds

The liability for accommodation bonds is carried at the amount that would be payable on exit of the resident. This is the amount received on entry of the resident less deductions for fees and retentions pursuant to the *Aged Care Act 1997*. These liabilities are considered to be current as the entity does not have an unconditional right to defer settlement of the liability for at least 12 months after balance sheet date. The obligation to settle could occur any time.

This includes Refundable Accommodation Deposits which are held in accordance with the Living Longer Living Better amendments to the *Aged Care Act 1997*.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(k) Fair value of assets and liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

(l) Adoption of new and revised accounting standards

The Company has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these Consolidated financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Notes to the Financial Statements

For the Year Ended 30 June 2018

3 Critical Accounting Estimates and Judgments

Key estimates - property held at fair value

An independent valuation of property (land and buildings) carried at fair value was obtained on 01 May 2018. The directors have reviewed this valuation and updated it based on valuation indexes for the area in which the property is located. The valuation is an estimation which would only be realised if the property is sold.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

4 Revenue and Other Income

	2018 \$	2017 \$
Revenue		
- Care funding government contribution	5,167,761	5,150,230
- Daily care fees	1,964,575	1,832,433
- Accommodation bond retention	13,219	31,897
- Other revenue	313,011	268,529
	<u>7,458,566</u>	<u>7,283,089</u>
Other income		
- Interest received	92,511	41,426
Total Revenue and Other Income	<u>7,551,077</u>	<u>7,324,515</u>

5 Result for the Year

The result for the year was derived after charging the following items:

Finance Costs

Financial liabilities measured at amortised cost:

- Interest paid	24,344	25,190
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The result for the year includes the following specific expenses:

Other expenses:

Employee benefits expense	5,642,355	5,418,865
Depreciation expense	366,022	366,484

Notes to the Financial Statements

For the Year Ended 30 June 2018

6 Cash and Cash Equivalents

	Note	2018 \$	2017 \$
Cash at bank and in hand		<u>4,908,837</u>	<u>3,352,808</u>

Reconciliation of cash

Cash and Cash equivalents reported in the consolidated statement of cash flows are reconciled to the equivalent items in the consolidated statement of financial position as follows:

Cash and cash equivalents		4,908,837	3,352,808
Term deposits	8	<u>145,153</u>	<u>141,899</u>
Balance as per consolidated statement of cash flows		<u>5,053,990</u>	<u>3,494,707</u>

7 Trade and Other Receivables

CURRENT

Trade receivables		34,722	94,003
Provision for impairment	(a)	<u>-</u>	<u>(52,282)</u>
		34,722	41,721
Other receivables		<u>65,491</u>	<u>85,764</u>
		<u>100,213</u>	<u>127,485</u>

(a) Impairment of receivables

Reconciliation of changes in the provision for impairment of receivables is as follows:

Balance at beginning of the year	52,282	-
Additional impairment loss recognised	-	52,282
Reversal of impairment	<u>(52,282)</u>	<u>-</u>
Balance at end of the year	<u>-</u>	<u>52,282</u>

(b) Financial assets classified as loans and receivables

Trade and other receivables			
- total current		<u>100,213</u>	<u>127,485</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

8 Other financial assets

CURRENT

Term deposits	6	<u>145,153</u>	<u>141,899</u>
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Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Notes to the Financial Statements For the Year Ended 30 June 2018

9 Other Assets

	2018 \$	2017 \$
CURRENT		
Prepayments	<u>59,087</u>	<u>52,609</u>

10 Property, plant and equipment

LAND AND BUILDINGS

Freehold land

At fair value

4,820,000 3,745,000

Buildings

At cost

10,746,915 10,746,915

Accumulated depreciation

(2,791,437) (2,552,431)

Total buildings

7,955,478 8,194,484

Total land and buildings

12,775,478 11,939,484

PLANT AND EQUIPMENT

Plant and equipment

At cost

755,106 692,608

Accumulated depreciation

(491,799) (391,786)

Total plant and equipment

263,307 300,822

Furniture, fixtures and fittings

At cost

977,759 961,740

Accumulated depreciation

(784,150) (757,146)

Total furniture, fixtures and fittings

193,609 204,594

Motor vehicles

At cost

52,060 52,060

Accumulated depreciation

(52,060) (52,060)

Total motor vehicles

- -

Total plant and equipment

456,916 505,416

Total property, plant and equipment

13,232,394 **12,444,900**

Notes to the Financial Statements

For the Year Ended 30 June 2018

10 Property, plant and equipment

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Total
Consolidated	\$	\$	\$	\$	\$
Year ended 30 June 2018					
Balance at the beginning of year	3,745,000	8,194,484	300,822	204,594	12,444,900
Additions	-	-	62,498	16,018	78,516
Depreciation expense	-	(239,006)	(100,013)	(27,003)	(366,022)
Revaluation increase recognised in equity	1,075,000	-	-	-	1,075,000
Balance at the end of the year	4,820,000	7,955,478	263,307	193,609	13,232,394

11 Trade and other payables

	2018	2017
	\$	\$
CURRENT		
Trade payables	112,174	134,863
Sundry payables and accrued expenses	229,181	175,557
Accommodation bonds	8,604,196	7,649,227
Income received in advance	65,547	86,314
	9,011,098	8,045,961

(a) Financial liabilities at amortised cost classified as trade and other payables

Trade and other payables:

- total current 9,011,098 8,045,961

Less:

- amounts received in advance (65,547) (86,314)

Financial liabilities as trade and other payables 8,945,551 7,959,647

No collateral has been pledged for any of the trade and other payable balances.

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

12 Borrowings

CURRENT

Unsecured liabilities:

Other loans 125,000 125,000

Notes to the Financial Statements

For the Year Ended 30 June 2018

13 Employee Benefits

	2018 \$	2017 \$
Current liabilities		
Annual leave	310,365	305,711
Long service leave	411,545	371,932
	<u>721,910</u>	<u>677,643</u>
Non-current liabilities		
Long service leave	155,770	146,260
	<u>155,770</u>	<u>146,260</u>

14 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 \$ 0.50 each towards meeting any outstandings and obligations of the Company. At 30 June 2018 the number of members was 70 (2017: 70).

15 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company and the Group is \$ 502,679 (2017: \$ 457,289).

16 Interests in Subsidiaries

Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%) 2018	Percentage Owned (%) 2017
Subsidiaries:			
Manor Court Management Services Pty Ltd	Australia	100	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

17 Fair Value Measurement

The Group measures the following assets and liabilities at fair value on a recurring basis:

- Property, plant and equipment

Property, Plant and Equipment

The Group's land and buildings were revalued by an independent valuer. Valuations were made using the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date. The revaluation surplus was credited to an asset revaluation reserve in equity. The valuation was performed by PP&E Valuations Pty Limited, dated 18 May 2018. The revaluations at 30 June 2017 was a directors valuation.

Notes to the Financial Statements

For the Year Ended 30 June 2018

18 Contingencies

In the opinion of the Directors, the Group did not have any contingencies at 30 June 2018 (30 June 2017: None).

19 Related Parties

(a) The Group's main related parties are as follows:

Key management personnel - refer to Note 15.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The Company did not have any transactions with related parties during the year ended 30 June 2018 (30 June 2017: None).

20 Cash Flow Information

Reconciliation of net income to net cash provided by operating activities:

	2018	2017
	\$	\$
Surplus for the year	232,068	291,529
Non-cash flows in surplus:		
- depreciation	366,022	366,484
- bond retentions	(13,219)	(31,897)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	27,272	128,629
- (increase)/decrease in other assets	(6,478)	2,895
- increase/(decrease) in trade and other payables	10,169	28,770
- increase/(decrease) in provisions	53,777	105,551
Cashflows from operating activities	669,611	891,961

Notes to the Financial Statements

For the Year Ended 30 June 2018

21 Operating Segments

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Segment performance

	Residential Aged Care		Independent Living Units		Total	
	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$
Revenue and other income	7,431,677	7,212,188	119,820	112,327	7,551,497	7,324,515
Depreciation expense	(353,064)	(361,634)	(12,958)	(4,850)	(366,022)	(366,484)
Employee benefits expense	(5,642,354)	(5,418,865)	-	-	(5,642,354)	(5,418,865)
Repairs and maintenance	(75,783)	(90,113)	(2,175)	(3,999)	(77,958)	(94,112)
Other expenses	(1,204,889)	(1,126,344)	(28,206)	(27,181)	(1,233,095)	(1,153,525)
Segment results	155,587	215,232	76,481	76,297	232,068	291,529

Segment assets

Segment assets	15,409,718	13,369,701	3,045,000	2,750,000	18,454,718	16,119,701
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Segment liabilities

Segment liabilities	10,013,778	8,994,864	-	-	10,013,778	8,994,864
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Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Notes to the Financial Statements For the Year Ended 30 June 2018

22 Parent entity

The following information has been extracted from the books and records of the parent, Manor Court Werribee Aged Care Ltd and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Manor Court Werribee Aged Care Ltd has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the consolidated financial statements of the parent entity.

	2018	2017
	\$	\$
Statement of Financial Position		
Assets		
Current assets	5,213,290	3,674,801
Non-current assets	13,232,394	12,444,900
Total Assets	18,445,684	16,119,701
Liabilities		
Current liabilities	9,858,009	8,848,604
Non-current liabilities	155,770	146,260
Total Liabilities	10,013,779	8,994,864
Equity		
Retained earnings	3,493,212	3,261,144
Revaluation surplus	3,800,000	2,725,000
General reserve	1,138,693	1,138,693
Total Equity	8,431,905	7,124,837
Statement of Profit or Loss and Other Comprehensive Income		
Total surplus for the year	232,068	291,529
Other comprehensive income,	1,075,000	-
Total comprehensive income	1,307,068	291,529

Guarantees

Manor Court Werribee Aged Care Ltd has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiary.

Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2018 or 30 June 2017.

Contractual commitments

The parent entity did not have any commitments as at 30 June 2018 or 30 June 2017.

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Notes to the Financial Statements **For the Year Ended 30 June 2018**

23 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

24 Company Details

The registered office of and principal place of business of the company is:
Manor Court Werribee Aged Care Ltd
5 Hogan Grove
Werribee VIC 3030

Manor Court Werribee Aged Care Ltd


ABN: 51 088 301 713

Directors' Declaration

The directors of the Company declare that, in their opinion:

1. The consolidated financial statements and notes, as set out on pages 7 to 27, are in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*; and
 - b. give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the Company and controlled entity.
2. There are reasonable grounds to believe that the Company is able to pay all of its debts, as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and Regulation 60-15 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Director

Mrs E C Keogh

Director

Mr R A Smith

Dated this 25th day of October 2018

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713 NAPS ID: 823

Independent Auditor's Report to the Members of Manor Court Werribee Aged Care Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Manor Court Werribee Aged Care Ltd (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of profit or 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 Manor Court Werribee Aged Care Ltd is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and 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 the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and 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 confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives 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 report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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In preparing the financial report, 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 responsibility 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.
- 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 Company'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 the Company'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 Company 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 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.



Nexia Melbourne Audit Pty Ltd
Melbourne



Geoff S. Parker
Director

Dated this 25 day of October 2018

STAFF IMAGES



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