



Manor Court

WERRIBEE AGED CARE LTD



Annual Report
2018 – 2019



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

Chairman's Report



The 2018/19 year represented a time of change for Manor Court, with new faces joining the management team as well as the completion of the long-awaited redevelopment of our Knight and Gardiner Memory Support Unit.

A key priority for 2018/19 was the implementation of the new Aged Care standards which have a focus on resident choice - whilst this is something that has always been reflected in our approach to clinical care, it took a great deal of work from the management team to ensure this is reflected in systems and processes and for appropriate reporting to occur.

It was pleasing to end the financial year with a favourable financial result - the last 18 months have been difficult for the aged care sector and we are incredibly proud of how Manor Court continues to perform in this environment.

I would like to acknowledge the outstanding leadership of our Managing Director, Ross Smith, Accountant Adela Lupsa and board members Callum Scott and Nik Tsadarkis for their sound financial advice.

A great deal of planning for the upgrade to Knight and Gardiner took place throughout the first half of 2018/19 to ensure we got the design of the new space right. There is so much new research into how people living with memory issues can be supported through their environment and we were pleased to work with Bryant Alsop architects to achieve the best outcome for our current and future residents. Undertaking the building works whilst the residents remained in the area at night required major logistical planning and a great deal of effort from staff and I would like to thank them for going above and beyond to make the success of the project possible.

Equally, the Board and management team would like to extend our sincere thanks to the residents of Knight and Gardiner and their families for being so patient for the duration of the project. I hope that the result was worth the inconvenience - the fit out of the speciality ladies and men's activity areas will continue in 2019/20 and this will provide additional sensory experiences for residents.

The support of the Rotary Club of Werribee must also be acknowledged - with a \$20,000 donation being made to the upgrade of Knight and Gardiner. As a not for profit facility, it is contributions such as this that are so important and I would like to thank the Rotary Club of Werribee for their continued support of Manor Court.

In April 2019 we welcomed Frances Fraser as the new Director of Nursing at Manor Court. Frances has brought with her a wealth of experience in the aged care sector as well as a real passion for best practice approach to lifestyle management. Frances has already proven to be a great addition to our management team. We are so lucky to be supported by outstanding staff led by Ross Smith, Frances Fraser and our outstanding chef Carmelo Santo - and we thank everyone for their continued support throughout 2018/19.

Next year we look forward to completing further building upgrades to modernise some of the older areas of the facility.

We will also commence recruitment for a new CEO, with our Managing Director Ross Smith retiring in 2019/20. We are so pleased that Ross will remain as a Board Member for Manor Court as his knowledge and dedication is invaluable.

Thanks to the Board for their ongoing contribution - 2019/20 is expected to be another challenging and rewarding year.

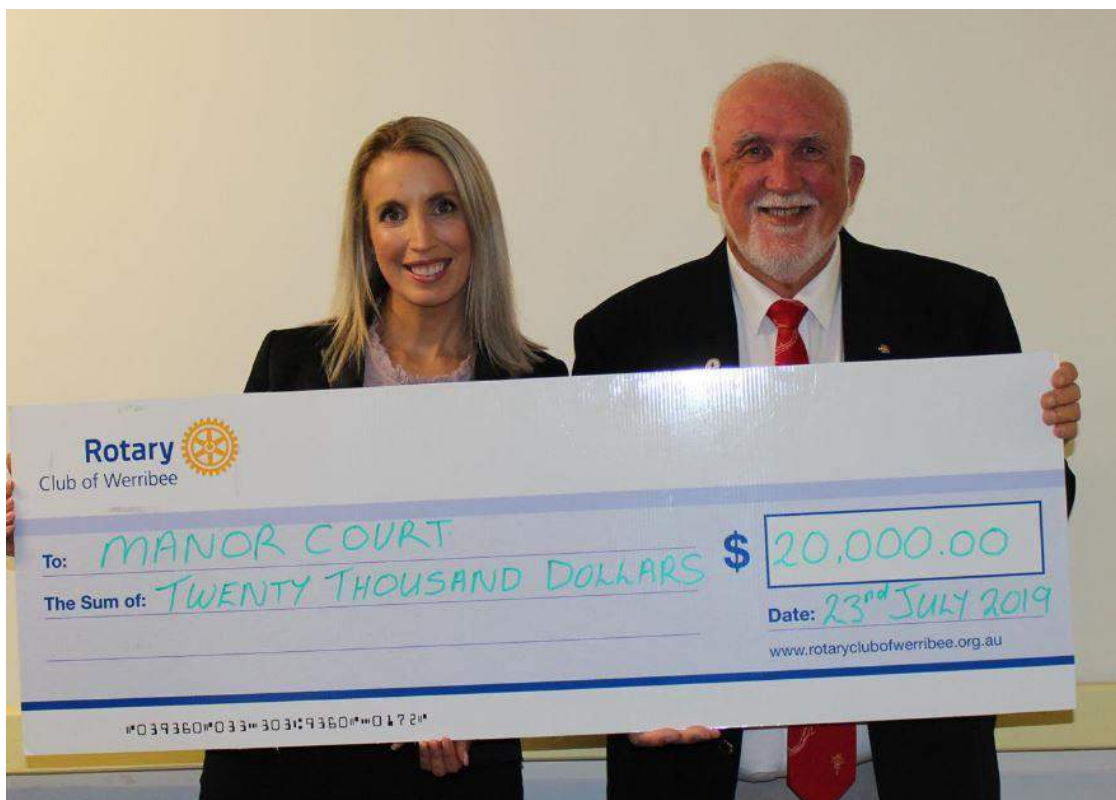
Emily Keogh
Chairman

\$400,000 Upgrade to Knight & Gardiner Memory Support Unit





Rotary Club of Werribee President Graham Roper presented a cheque for \$20,000 to Chairman Emily Keogh to replace the furniture in the new upgraded unit.



Memory Support Unit - Ladies Activity Room



Memory Support Unit - Men's Activity Room



Managing Director report



The 12 months to 30 June 2019, has been the toughest on record for the aged care industry, by a long way.

The industry was subject to nearly 12 months of constant negative reporting in the television & print media, which ultimately forced the Federal Government to establish the Aged Care Royal Commission in October 2018.

Our industry is scrutinised like no other industry in the country. We rarely get a compliment or a pat on the back, but when something goes wrong, we get kicked & the world is told about it. We are an extremely resilient industry, that just keeps getting back up after each fall. Many in the industry are speculating about the number of providers who have been knocked down again, that will find it too hard to get back up.

The announcement of the Aged Care Royal Commission had an immediate impact on the aged care industry, right across Australia.

- Public opinion of the aged care industry sunk to an all-time low.
- Public perception was that elder abuse was widespread, and not limited to a small number of facilities, which was the case.
- Enquiries for residential care stopped overnight.
- Facilities providing a high level of service were forced to defend their reputation as quality providers.
- Average occupancy Australia wide started falling, from 94% when the Royal Commission was announced, to current levels of 90%.

We have just recently been advised, that the Federal Government has extended the finish date for the Aged Care Royal Commission by 6 months to 31 October 2020. Consumer confidence in residential care remains low, and is unlikely to improve in the short term. Leaving the industry in a state of flux for another 6 months defies logic, and appears to be a political decision aimed at delaying the inevitable commission recommendation, which is that the government will ultimately have to significantly increase funding of aged care services.

Financial Results

The financial results for the 12 months to 30 June 2019 were:

- Actual trading profit of \$705,000 compared to a budget trading profit of \$675,000.
- Net profit \$306,000 compared to a budget of \$288,000.

This figure includes \$123,600 of temporary funding from the Federal Government to assist with implementation of the new accreditation standards.

This was a pretty good result, considering the tough trading conditions we experienced during the year.

Factors that contributed to the result were.

- Occupancy permanent & respite, stopped on the announcement of the Aged Care Royal Commission.
- Our essential services, gas, electricity & water continued to rise during the year. We installed a 100kw solar panel system, which will save us \$30,000 of electricity a year.
- During the year we engaged an investment adviser to invest part of our surplus funds in the equities market, due to falling returns from our term deposit holdings. The portfolio has performed well above the term deposit returns.

Accreditation

Our full three-year accreditation audit occurred on 31.07.2018 & 01.08.2018, and our license to operate has been extended until 27.10.2021.

- During the year we were subject to two unannounced accreditation visits on 14.01.2019, & 27.05.2019. 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.

From 01.07.2019 the Federal Government has introduced new Accreditation Standards. The single accreditation system applies to any person receiving federal government for providing aged care services.

Staff

We currently have 109 staff on our books, which equates to 1.18 staff per resident at current occupancy levels. Our average years of service for permanent staff is 7.9 years, up from 7.2 years in the previous period. This recognises the very stable workforce we have built up over the last few years. 24% 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 Mara D'Rosario - Kitchen Assistant 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

We thank our small team of volunteers, who assist us activities & lifestyle for the residents.

Unfortunately, volunteering has been in decline across most sectors for at least 10 years, as a lot of people are not prepared to give their time up to volunteer, unless they are going to be paid. This is a shame.

We are always on the lookout for more volunteers.

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

Capital Improvements

Running an aged care facility is akin to painting the West Gate Bridge. The process of maintaining & upgrading facilities never stops. As soon as you think you are finished, it is time to start again.

Board has continued to ensure that our buildings and fixtures are maintained in top condition. During 2018/2019 we spent \$575,000 on improvements to our existing buildings, and the replacement of equipment.

The major items were:

- Upgrade Knight & Gardiner Memory Support Unit - \$308,400 (Balance paid in July 2019)
- 100kw Solar Panel System - \$128,700
- Nursing equipment previously hired - \$22,700
- Upgrade fire panel from zones to individual detectors - \$20,700
- New DECT Phone system, and replacement of IT equipment - \$48,500
- General replacements - \$50,600

The Board has approved the extension of the Rotary Dining Room, and the upgrade of the adjoining courtyard. We are currently preparing architectural drawings and obtaining quotes. We are aiming for this work to be completed around Christmas 2019 or shortly after.

The Board has budgeted for a major upgrade of the kitchen in the first half of 2020. The kitchen is 40 years old, and is becoming difficult to maintain. The upgrade will involve removal of walls to improve work flow, replacement floor & wall surfaces, consolidation of coolrooms, and creation of more workable space.

Knight & Gardiner Memory Support Unit

In August 2019 we completed the upgrade of the Knight & Gardiner Memory Support Unit. The unit was designed by Bryant Alsop Architects, who were given a brief to create open usable space, with best practice dementia building design.

We engaged Landbuild Builders, from Williams Landing, as they best met our essential criteria, which was to complete the works while the residents still slept in their rooms at night, and to meet strict time deadlines. The works were completed 1 week earlier than scheduled, thanks to Landbuild and the great effort by Manor Court staff moving residents in and out of the area each day, while the works were underway.

We are extremely proud of how the building works turned out, and the new men's & lady's areas, that were fitted out by Frances & Adela. Staff have indicated to us that the residents are far more settled in the new area, as they have space and quiet areas for activities.

Senior Management Staff

Nursing

During the year we had some significant changes to our senior nursing team. This allowed us to look internally & externally, and to expand our team.

- Frances Fraser joined the team as Director of Nursing. Frances has a wealth of experience, and will be a valuable member of our team.
- Frances will be supported by 2IC registered nurse Amelia Kissack who joined us recently.
- Shyni Vinod has worked with Manor Court for 8 years as an Enrolled Nurse. Shyni qualified as a registered nurse in 2018, so she has been able to join the senior nurse team.
- Nav Singh was also an Enrolled Nurse with Manor Court, and like Shyni qualified as a registered nurse and joined our senior nursing team.

Frances and Amelia are exceptionally good trainers, and we are seeing the rapid development of Shyni & Nav, and our other nursing staff.

Services

Carmelo Santo - Chef & Services Manager has been with us nearly 24 years, and looks after the cooking, cleaning & laundry. Carmelo is assisted by second chef Nitin Kaushik. Our meals are a focus at Manor Court, as our residents rank meals as one of the most important aspects of living at Manor Court.

Administration

Adela Lupsa joined the team 18 months ago, and looks after the accounting, IT & administration functions. She has fitted in really well to our management team, and also recently took on some Marketing functions.

Other

Sharon Smith has been with us 20 years, and runs the Lifestyle Department. Mick Micallef runs our Maintenance Department, and has been with us 19 years.

Influenza & Gastroenteritis

The Department of Health warned us early this year, that early influenza numbers were suggesting that winter 2019 could be as bad as two years ago, when 650 aged care residents were hospitalised, and there were 100 deaths.

We acted promptly, and 100% of our staff were immunized, and every resident except two who refused, were vaccinated. This is a terrific result. Equally as importantly, visitors with a runny nose or a sniffle, kept away until they were clear.

Illnesses spread rapidly in the residential care environment, and we are proud that we only ended up with a few colds & sniffles, and we were able to keep all of our residents safe. Thanks to the staff, residents & families.

Solar Power

In October 2018 we installed a 100kw solar panel system, at a cost of around \$130,000. At its peak in summer, the system was working at 98%, and providing one third of our summer electricity.

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

The Future Direction for Manor Court

Three or four years ago, the Board of Manor Court commenced a process to evaluate the viability of growing our facility by another 20-30 beds. We acquired two adjoining properties, and were working thru the process.

The downturn of the aged care industry, that started around 2017, and continued into 2019 with the announcement of the Royal Commission, resulted in a reassessment of our goals. We are now facing another 2 or 3 years of uncertainty, while we wait for the Royal Commission findings, and an indication from the Federal Government of the direction the industry is going to go.

The Royal Commission will hand down its interim report to the government on 31.10.2020. The government has said that they will adopt every recommendation made by the Royal Commission, but we wonder if this is not just political talk.

We have had nearly 10 enquiries and reports into the aged care industry in the last 10 years, and the government has never adopted all of the findings of each report. Instead they have handpicked what they want & what they can afford, and ignored the rest.

With our rapidly ageing population, the Department of Human Services are predicting a major shortage of residential care beds across Australia from 2025, but who is going to invest millions of dollars to build new

beds, when occupancy is falling rapidly, and there is no certainty from the Federal Government, of how the industry will operate post 2020.

The only certainty from the Royal Commission, is that the Government will impose a mass of new rules, regulations, restrictions & penalties on the industry, adding to what is already the most over regulated industry in the country. More rules and regulations gives the Government the satisfaction that they have done something, but it often just makes the situation worse, and more difficult for operators to survive.

Aged care is a people business. If the government wants us to improve our service to residents by say 25%, then somebody has to pay for us to hire additional staff. That can only come from 2 places, either the Government contributes more, or the residents pay more.

One thing is certain, and that is that the industry will be quite different post 2020, and will never be the same as it was 5 or 10 years ago.

Board

I would like to thank the Board of Directors for their support during the financial year, and in particular Chairman Emily Keogh, and Deputy Chairman Callum Scott, who have been of great assistance to me.

This year will be my final report as Managing Director of Manor Court. After a bit over 14 years in the role, I have decided the time is right to retire. Manor Court will shortly announce my replacement, who will take the business through the next phase. The Board have asked me to remain as a Director, to help steer the business through these difficult times.

Aged care is quite a unique industry. There is never enough money to do what you want to. The paperwork & bureaucracy drive you mad. Often the expectations of families are greater than we are able to deliver. The media are desperate to put us on the front page when something goes wrong, but are not interested when we have a good story to tell. Many other industries will pay you a lot more.

It's those kind words from our residents that keeps so many good people in our industry. We know we are making a difference to peoples lives, and that's what drives us.

Ross A Smith
Managing Director

Some 2018-2019 Facts

- 2019 was our 40th year of operation
- 109 Staff - Permanent & casual
- 93,300 direct care hours provided for year
 - Average year's service of permanent staff 7.9 years
- 24% of permanent staff have more than 10 year's service
- 13% of permanent staff have more than 15 year's service
- Average age of all staff 41 years
- 425,000 medications dispensed to residents for year
- 109,500 Meals produced this year
 - 22,500 Eggs used for year
 - 15,600 litres of milk used
- The 8 directors of the company have 109 years of time on the board.

Manor Court Residents



Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Consolidated Financial Statements

For the Year Ended 30 June 2019

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

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Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Directors' Report

30 June 2019

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 2019.

(a) 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 I S Hovey	
Qualifications	Diploma of Business Studies (EDP) - Gordon Institute of Technology
Experience	41 years as an IT professional in mining, banking, manufacturing and local government. 3 years experience in residential aged care
Mrs N Whiting	
Qualifications	Peri Operative Educator – Registered Nurse

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Directors' Report

30 June 2019

(a) General information

Information on directors

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.

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Directors' Report

30 June 2019

(a) 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 2019 the collective liability of members was \$ NIL (2018: \$ 35).

(b) Operating results and review of operations for the year

Operating results

The consolidated surplus of the Group amounted to \$ 432,338 (2018: \$ 232,068).

(c) 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.

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Directors' Report

30 June 2019

(c) 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	8
Ms E C Keogh	11	10
Mr I S Knight OAM	11	9
Mr R A Smith	11	11
Mr N Tsardakis	11	10
Mrs K Munton	11	9
Mr I S Hovey	11	10
Mrs N Whiting	11	8

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 2019

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 2019 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:



Mrs E C Keogh

Director:



Mr R A Smith

Dated this 3rd day of October 2019

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 2019, 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 3 day of OCTOBER 2019

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 2019**

		2019	2018
	Note	\$	\$
Revenue	4	7,700,075	7,458,566
Other income	4	285,860	92,511
		<u>7,985,935</u>	<u>7,551,077</u>
Employee benefits expense	5	(5,840,699)	(5,642,355)
Depreciation expense	5	(370,269)	(366,022)
Catering expense		(317,602)	(314,847)
Medical supplies		(278,649)	(234,782)
Insurance		(36,843)	(34,486)
Repairs and maintenance		(91,315)	(77,958)
Occupancy		(170,930)	(208,242)
Telephone expenses		(32,183)	(23,970)
Cleaning expenses		(65,153)	(66,972)
Accounting & compliance costs		(34,782)	(46,183)
Other expenses		(286,441)	(279,048)
Finance costs	5	(28,731)	(24,344)
Surplus for the year		<u>432,338</u>	<u>232,088</u>
Revaluation changes for property, plant and equipment		-	1,075,000
Revaluation of financial assets		251,687	-
Loss on disposal of financial assets		(116,554)	-
Other comprehensive income for the year, net of tax		<u>135,133</u>	<u>1,075,000</u>
Total comprehensive income for the year		<u>567,471</u>	<u>1,307,088</u>
Profit attributable to:			
Members of the parent entity		<u>432,338</u>	<u>232,088</u>
Total comprehensive income attributable to:			
Members of the parent entity		<u>567,471</u>	<u>1,307,088</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 2019**

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,798,614	4,908,837
Trade and other receivables	7	150,624	100,213
Other financial assets	8	148,709	145,153
Other assets	9	74,647	59,087
TOTAL CURRENT ASSETS		2,172,594	5,213,290
NON-CURRENT ASSETS			
Property, plant and equipment	10	13,432,755	13,232,394
Other assets	9	3,332,985	-
TOTAL NON-CURRENT ASSETS		16,765,740	13,232,394
TOTAL ASSETS		18,938,334	18,445,684
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	9,063,890	9,011,099
Borrowings	12	-	125,000
Employee benefits	13	689,774	721,910
TOTAL CURRENT LIABILITIES		9,753,664	9,858,009
NON-CURRENT LIABILITIES			
Employee benefits	13	185,294	155,770
TOTAL NON-CURRENT LIABILITIES		185,294	155,770
TOTAL LIABILITIES		9,938,958	10,013,779
NET ASSETS		8,999,376	8,431,905
EQUITY			
Reserves		5,190,380	4,938,693
Retained earnings		3,808,996	3,493,212
TOTAL EQUITY		8,999,376	8,431,905

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 2019****2019**

	Retained Earnings	Capital Surplus Reserve	Asset Revaluation Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2018	3,493,212	1,138,693	3,800,000	8,431,905
Surplus for the year	432,338	-	-	432,338
Total other comprehensive income for the period	-	-	135,133	135,133
Transfer to retained earnings	(116,554)	-	116,554	-
Balance at 30 June 2019	3,808,996	1,138,693	4,051,687	8,999,376

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 period	-	-	1,075,000	1,075,000
Balance at 30 June 2018	3,493,212	1,138,693	3,800,000	8,431,905

a. Asset Revaluation Reserve

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

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

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Consolidated Statement of Cash Flows
For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	7,620,336	7,466,150
Payments to suppliers and employees	(7,204,103)	(6,873,240)
Interest received	104,468	98,980
Interest paid	(34,888)	(22,279)
Net cash provided by operating activities	<u>485,813</u>	<u>669,611</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of financial assets	(3,197,852)	-
Purchase of property, plant and equipment	(570,629)	(78,516)
Dividend received	203,107	-
Net cash used in investing activities	<u>(3,565,374)</u>	<u>(78,516)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net accommodation bonds received/(paid)	97,894	968,188
Repayment of borrowings	(125,000)	-
Net cash provided by/(used in) financing activities	<u>(27,106)</u>	<u>968,188</u>
Net increase/(decrease) in cash and cash equivalents held	(3,106,667)	1,559,283
Cash and cash equivalents at beginning of year	5,053,990	3,494,707
Cash and cash equivalents at end of financial year	6 <u>1,947,323</u>	<u>5,053,990</u>

The accompanying notes form part of these financial statements.

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Notes to the Financial Statements

For the Year Ended 30 June 2019

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 xxx

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*.

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Notes to the Financial Statements

For the Year Ended 30 June 2019

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.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(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.

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 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).

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

Fair value through other comprehensive income

Equity instruments

The Group has a number of investments in listed entities over which they do not have significant influence nor control. The Group has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables, bank and other loans and finance lease liabilities.

Notes to the Financial Statements

For the Year Ended 30 June 2019

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 2019

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.

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Critical Accounting Estimates and Judgments

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

	2019	2018
	\$	\$
Revenue		
- Care funding government contribution	5,497,833	5,167,761
- Daily care fees	1,924,547	1,964,575
- Accommodation bond retention	7,613	13,219
- Other revenue	270,082	313,011
	<u>7,700,075</u>	<u>7,458,566</u>
Other income		
- Dividend income	203,106	-
- Interest received	82,754	92,511
	<u>285,860</u>	<u>92,511</u>
Total other income	285,860	92,511
Total Revenue and Other Income	<u>7,985,935</u>	<u>7,551,077</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	28,731	24,344
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The result for the year includes the following specific expenses:

Other expenses:

Employee benefits expense	5,840,699	5,642,355
Depreciation expense	370,269	366,022
- Bad debts	967	-

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Notes to the Financial Statements For the Year Ended 30 June 2019

6 Cash and Cash Equivalents

	2019	2018
Note	\$	\$
Cash at bank and in hand	<u>1,798,614</u>	<u>4,908,837</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		1,798,614	4,908,837
Term deposits	8	<u>148,709</u>	<u>145,153</u>
Balance as per consolidated statement of cash flows		<u>1,947,323</u>	<u>5,053,990</u>

7 Trade and Other Receivables

CURRENT

Trade receivables	<u>104,908</u>	<u>34,722</u>
	<u>104,908</u>	<u>34,722</u>
Other receivables	<u>45,716</u>	<u>65,491</u>
	<u>150,624</u>	<u>100,213</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
Reversal of impairment	-	<u>(52,282)</u>
Balance at end of the year	<u>-</u>	<u>-</u>

(b) Financial assets classified as loans and receivables

Trade and other receivables		
- total current	<u>150,624</u>	<u>100,213</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>148,709</u>	<u>145,153</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 2019**

9 Other Assets

	2019	2018
Note	\$	\$
CURRENT		
Prepayments	74,647	59,087
NON-CURRENT		
Investments	3,332,985	-

10 Property, plant and equipment

LAND AND BUILDINGS		
Freehold land		
At fair value	17 4,820,000	4,820,000
Buildings		
At cost	10,750,715	10,746,915
Accumulated depreciation	(3,028,433)	(2,791,437)
Total buildings	7,722,282	7,955,478
Total land and buildings	12,542,282	12,775,478
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	893,556	755,106
Accumulated depreciation	(593,097)	(491,799)
Total plant and equipment	300,459	263,307
Furniture, fixtures and fittings		
At cost	1,406,138	977,759
Accumulated depreciation	(816,124)	(784,150)
Total furniture, fixtures and fittings	590,014	193,609
Motor vehicles		
At cost	52,060	52,060
Accumulated depreciation	(52,060)	(52,060)
Total motor vehicles	-	-
Total plant and equipment	890,473	456,916
Total property, plant and equipment	13,432,755	13,232,394

Manor Court Werribee Aged Care Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2019

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 2019					
Balance at the beginning of year	4,820,000	7,955,478	263,307	193,609	13,232,394
Additions	-	3,800	138,450	428,379	570,629
Depreciation expense	-	(236,996)	(101,298)	(31,974)	(370,268)
Balance at the end of the year	4,820,000	7,722,282	300,459	590,014	13,432,755

11 Trade and other payables

	2019	2018
	\$	\$
CURRENT		
Trade payables	111,753	112,174
Sundry payables and accrued expenses	199,419	229,181
Accommodation bonds	8,694,477	8,604,196
Income received in advance	58,241	65,547
	9,063,890	9,011,098

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

Trade and other payables:		
- total current	9,063,890	9,011,098
Less:		
- amounts received in advance	(58,241)	(65,547)
Financial liabilities as trade and other payables	9,005,649	8,945,551

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

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Notes to the Financial Statements For the Year Ended 30 June 2019

13 Employee Benefits

	2019	2018
	\$	\$
Current liabilities		
Annual leave	319,858	310,365
Long service leave	369,916	411,545
	<u>689,774</u>	<u>721,910</u>
Non-current liabilities		
Long service leave	<u>185,294</u>	<u>155,770</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 2019 the number of members was 70 (2018: 70).

15 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company and the Group is \$ 564,287 (2018: \$ 502,679).

16 Interests in Subsidiaries

Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%) [*] 2019	Percentage Owned (%) [*] 2018
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.

Manor Court Werribee Aged Care Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2019

18 Contingencies

In the opinion of the Directors, the Group did not have any contingencies at 30 June 2019 (30 June 2018: 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 2019 (30 June 2018: None).

20 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.

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Notes to the Financial Statements For the Year Ended 30 June 2019

20 Operating Segments

20 Operating Segments

Segment performance

	Residential Aged Care		Independent Living Units		Total	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
Revenue and other income	7,870,047	7,431,677	115,888	119,820	7,985,935	7,551,497
Depreciation expense	358,467	(353,064)	11,622	(12,958)	370,089	(366,022)
Employee benefits expense	5,840,641	(5,642,354)	-	-	5,840,641	(5,642,354)
Repairs and maintenance	83,915	(75,783)	7,400	(2,175)	91,315	(77,958)
Other expenses	1,222,364	(1,204,889)	29,130	(28,206)	1,251,494	(1,233,095)
Segment results	364,602	155,587	67,736	76,481	432,338	232,068

Segment assets

Segment assets	15,893,333	15,409,718	3,045,000	3,045,000	18,938,333	18,454,718
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Segment liabilities

Segment liabilities	9,938,958	10,013,778	-	-	9,938,958	10,013,778
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21 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.

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Notes to the Financial Statements For the Year Ended 30 June 2019

21 Parent entity

21 Parent entity

Investments in subsidiaries

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

	2019	2018
	\$	\$
Statement of Financial Position		
Assets		
Current assets	2,172,593	5,213,289
Non-current assets	16,765,740	13,232,395
Total Assets	18,938,333	18,445,684
Liabilities		
Current liabilities	9,753,663	9,858,009
Non-current liabilities	185,294	155,770
Total Liabilities	9,938,957	10,013,779
Equity		
Retained earnings	3,808,996	3,493,212
Revaluation surplus	3,800,000	3,800,000
General reserve	1,390,380	1,138,693
Total Equity	8,999,376	8,431,905
Statement of Profit or Loss and Other Comprehensive Income		
Total surplus for the year	432,338	232,068
Other comprehensive income,	135,133	1,075,000
Total comprehensive income	567,471	1,307,068

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 2019 or 30 June 2018.

Contractual commitments

The parent entity did not have any commitments as at 30 June 2019 or 30 June 2018.

Manor Court Werribee Aged Care Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2019

22 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.

23 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, 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 2019 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



Ms E C Keogh

Director



Mr R A Smith

Dated this 3rd day of October 2019

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 2019, 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 2019 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

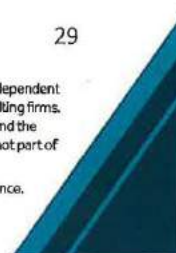
We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence 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.



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 3 day of October 2019

Manor Court Staff

