



CaSPA Care

Claremont and South Port Aged Care Ltd

2015 Annual Report

About CaSPA Care

CaSPA Care was formed in 2010 thru the merger of two independent community organisations – Claremont Home and South Port Community Residential Home.

Both have been providing care and services to the frail elderly in the city of Port Phillip for decades.

CaSPA Care have now completed the building of a new purpose built 146 bed residential care home in South Melbourne.

It remains one of a few secular community organisations providing care to the frail elderly in Melbourne.

Vision and Mission

Our Vision

Older people living in a compassionate community that sustains and reinforces independence, social relationships and community interaction.

Our Mission

To deliver a range of services and care to older frail adults and their families in the City of Port Phillip which:

- Upholds the independence and quality of life of residents.
- Provides wellbeing and dignity by recognising each person's social, health, emotional, intellectual and cultural needs.
- Provides a welcoming, friendly, pleasant, safe and secure environment.
- Excels through learning, continuous improvement and fostering the skills of staff.

Values

RESPECT	We treat every person with dignity and courtesy, we are polite and we listen.
COMMUNICATION	We share information appropriately, promptly and openly.
TEAMWORK	We are reliable, friendly and we help each other.
ACCOUNTABILITY	We are responsible for our decisions and work professionally.
HONESTY	We trust each other and are trustworthy.
COMPASSION	We provide care with kindness and empathy that considers and meets each individual's needs.



Contents

- 2** Chairperson's Report
- 3** Treasurer's Report
- 4** Sub Committee Reports
- 6** CEO Report
- 8** Emerald Hill Residence Official Opening
- 10** CaSPA Care holds 2nd Annual Gala at Emerald Hill Residence
- 12** Emerald Hill Residence
- 14** Open Day Success
- 13** Board of Directors
- 16** Financial Reports

CaSPA Care

Claremont & South Port Aged Care Ltd
ACN 142 425 527

203 Napier Street South Melbourne VIC 3205

Phone: 03 9633 9200

Fax: 03 9633 9301

Email: info@caspacare.org.au

Website: www.caspacare.org.au

Chairperson's Report



This financial year will be remembered by me as the one in which we achieved what ten years ago seemed impossible.

Emerald Hill Residence, as we now call it, is complete. Over the next few months its 146 beds will undoubtedly be filled and if the response of the first residents is anything to go by, it will be regarded as indeed a very good place to live.

Since the search began for a new site to redevelop South Port home, we have merged two community-based aged care organisations to form CaSPA Care, secured the 203 Napier Street LandBank site for redevelopment of our combined number of beds, plus 30 more places, and built a beautiful new home for our residents. We exceeded basic requirements on environmental sustainability with solar panels on the roof, stormwater tanks in the basement and double glazing throughout which will reduce energy costs for many years to come.

We consider the building to be a fine piece of architecture and a fitting response to our brief for which we thank our architects, Smith & Tracey. Buxton Constructions were our construction managers and their expertise ensured a trouble-free build at very good value for money. The Bank of Melbourne proved to be reliable and cooperative lenders and their watch over our finances to ensure viability provided comfort to the Board around our capacity to pay back this substantial loan.

Throughout the year Project Control Group for Emerald Hill Residence met regularly to oversee construction, approve details and contracts and I thank Beris Campbell and Norm Armstrong for their valuable input on this committee.

The building was officially opened on 4 June by the Victorian Minister for Ageing and our local member, The Hon Martin Foley. It was very gratifying to have so many people come to celebrate this major milestone and to affirm their interest in what we do. The Minister complimented us on the building and showed his customary knowledge about and support for our endeavours. Guests included the Mayor, councilors and staff of the City of Port Phillip, and MLC Margaret Fitzherbert. Ms Jane Herington, Director of Aged Care at the Victorian Department of Health & Human

Services and her colleagues Chris Puckey and Lucia Clarke who negotiated the government's lease agreement with us so many years ago and have always shown a keen interest in progress, also attended.

Last year we reported talks with the City of Port Phillip to continue to operate South Port and our application for a further 30 bed licenses. These licenses were granted and we understand a lease will soon be agreed for our continued operation at South Port. With demand for residential care in our area set to increase due to increasing population size and ageing, we have no doubt that these places are needed.

We formed a Future Directions Committee of the Board to assist with short and long term decision-making around the use of the Claremont building and to oversee the work required to convert South Port from a 60 to a 30-bed home with much improved privacy and amenity.

We have also taken the bold step of completely changing the way we operate, moving as far as possible from practices that institutionalise residents and indeed staff. Like any major reform, it will take time to bed down and evaluate but we expect this new 'household model' to set the future standard in aged care.

There has been no change to the membership or structure of the Board over the last year, lending a steady hand to the organisation in this time of change. I thank my colleagues on the Board for their ongoing commitment and professionalism. Thanks also to the chairs and the many non-director members of our board Sub Committees who make a much-valued contribution to our work. Ellie Schwab, with extensive experience in property and aged care, joined us on Governance and Future Directions, Anne Ferguson joined Clinical Governance and Neil Cathels now serves on Audit, Finance & Risk.

It is a credit to our CEO, Stephanie Clark, and our staff that we have again met all accreditation requirements for Claremont and South Port and again returned a modest financial surplus despite slightly lower than anticipated



Rotary Melbourne and Albert Park, and Probus clubs brought their members to the new residence for tours and fundraising dinners.

occupancy. We are grateful to Stephanie for her unstinting efforts over the last year in so competently overseeing development of the new building whilst also managing what has become an aged care operation turning over almost \$10m/year. Thanks to all our staff for the important work they do and their willingness to embrace change.

We have budgeted for higher than average spending next year to fund extra staff time in commissioning Emerald Hill Residence, new positions in facilities management, marketing and volunteering and training for staff. Thereafter we expect to return to surpluses that will assist us in funding future capital works at our two other sites.

As in previous years, we have benefitted from the generosity of so many people. We are particularly grateful to the Lions Club for their gift of \$50,000 and have named the café LIONSHARE in acknowledgement of this and the ongoing relationship with them that we enjoy. Luv-a-Duck in Port Melbourne raised money at our open day, Rotary Melbourne and Albert Park and Probus clubs brought their

members to the new residence for tours and fundraising dinners. ECHO once more raised around \$5,000 for us in highway collections and the number of donations from individuals grows each year, allowing us to buy the extras not possible with government funding.

Finally, thanks to the forty four volunteers who spent time with residents in South Port and Claremont during the year. That's a lot of people – chatting, taking residents for walks, assisting those without families to shop for personal items, helping in art making, entertainment and computers and for bringing into our homes the joy of their children and even their dogs.

Lynette Allison
Chair

Treasurer's Report



CaSPA Care remains in a solid financial position despite the bank facility required to partly fund the new building – Emerald Hill.

The consolidated financial surplus for 2014–2015 is \$365,544.

Whilst this is under the previous year it is due principally to fluctuating occupancy at both sites throughout the year. This was due in part to the changing legislation around residential aged care.

The building project at 203 Napier Street will be completed early next financial year. This project has remained on time and budget.

CaSPA Care has met its legislated requirements through 2014-2015.

Richard Gates
Treasurer



From L-R: Stephanie Clark cuts the cake at the official naming ceremony for our new home at The Vincent Hotel in Albert Park on 18 December 2014; Minister Martin Foley, Lynette Allison, Stephanie Clark and Peter Manger at the opening of Emerald Hill Residence.

Audit, Finance and Risk Sub Committee Report



The Audit, Finance and Risk committee meets monthly and consists of the following members: Richard Gates (Chair), Stephanie Clark, Tony Hill, David Gorman, Julie Prideaux, Neil Cathels and Richard Roberts.

Throughout the year the subcommittee monitored the financial drawdowns for the building project, reviewing all Quantity Surveyor reports monthly.

The committee was also actively engaged in development of the 2015-2016 budget. The budget required significant work and input given it was Emerald Hill's first and ramp up year.

I would like to thank all the members of the committee for their time.

Richard Gates

Chair – Audit, Finance and Risk Sub Committee

Clinical Governance Sub Committee Report



The countdown to the opening of our wonderful new facility, Emerald Hill Residence, dominated everyone's thinking throughout the 2014-15 year and Clinical Governance was no exception.

But continuing to provide quality care for our residents in Claremont and South Port was, of course, essential throughout the time.

Some key changes in clinical staff occurred late last year which always has a big impact on the facilities as well as on the committee's capacity to function effectively. These changes coincided with the slow but thorough process of introducing a new clinical software system, Health Metrics. This will support all the functions of residential aged care and generate reports on almost anything you can think of! We believe it will result in a paperless operation! We are looking forward to the staff providing lots of detailed and useful reports for the committee in 2015-16.

South Port was audited in May 2015 and with a lot of hard work by the staff met all 44 outcomes.

On the recommendation of our CEO, CaSPA Care's board adopted the Household model of care to roll out at Emerald Hill Residence and in the new smaller operation at South Port. This has been a very exciting prospect for Clinical Governance to study and get its head around which we have spent some time doing. We look forward to watching the progress and receiving positive feedback from residents and their families.

The Committee met bi-monthly through the year in July, September, November, February and April but missed the final meeting for the year in June as just too much was happening in preparation for the big move. We were pleased to welcome Anne Ferguson to the Committee in February. Anne lives locally and brings a long career in nursing to our deliberations. Board members Liz Robson and myself continued on the committee and Adair Bunnett provided additional independent expertise.

Beris Campbell OAM

Chair – Clinical Governance Sub Committee

Communications and Fundraising Sub Committee Report



Much focus this year was on the development of the new aged care home and its naming.

We invited residents, their families, staff, volunteers and CaSPA Care board and sub-committee members to provide us with their suggestions for a name.

The suggestions were many and varied, and in naming the new building Emerald Hill Residence, CaSPA Care wanted to recognise the residence's geographic location and for the name to be meaningful in a way that is related to other elements of CaSPA Care's mission and values such as "Living Well. Living Locally".

"Emerald Hill Residence" will join "Claremont Home" and "Southport Home" under the CaSPA Care brand. The official naming ceremony and CaSPA Care cake cutting took place at The Vincent Hotel in Albert Park on 18 December 2014.

Many thanks yet again this year go to the Lions Club of Port Phillip who have been tireless with their fundraising efforts to support the residents of CaSPA Care and ensure quality aged care in the Port Phillip community. Through their efforts, and in particular those of Communications and Fundraising Sub Committee member Maureen Smith, they achieved their fundraising goal of \$50,000. The cheque for \$50,000 was presented to the Chair of the Board at the 2nd Annual CaSPA Care Gala on 2 July 2015.

In recognition of this generous donation, the Emerald Hill Residence cafe will be named "Lionshare". The cafe will provide an opportunity for members of the local community to become a part of our home.

In another significant event, "Emerald Hill Residence" was officially opened by Member for Albert Park and Minister for Ageing the Hon Martin Foley on 4 June 2015. At the launch, Minister Foley said that the ageing population is increasing. And that: *"Elderly people shouldn't have to move out of the area they live in to access care. Governments need to be forward thinking and secure land for quality residences. Labor secured the land for this aged-care facility. Now that it's built, the inner South community will have aged care facilities for many years to come."*

This year we welcomed a new Sub-Committee member Jacki Burgess who has been a very valuable addition to the Sub-Committee and we sadly said goodbye to Henry Blatman who has made a great contribution. Many thanks too go to all the sub-committee members for their hard work throughout the year, Lyn Allison, Stephanie Clark, Maureen Smith, Tony Hill and Peter Manger. Also, thanks go to Rebecca Housden who professionally organised the meetings and agendas and minutes throughout the year.

Heather Witham

Chair – Communications and Fundraising Sub Committee

Governance Sub Committee Report



Once again this year has been a year of consolidation for our committee and we continue to meet bi monthly.

We have looked at matters like succession, board training and conduct of board meetings. This work has benefited greatly from the wide ranging experience of the members of the committee.

I thank my fellow members of the committee for their valuable contribution namely long serving members Lyn Alison, Peter Penry-Williams and Stephanie Clark (CEO) together with new members Damian Ferrie, Ian Gould and Ellie Schwab.

Finally I would like to thank Rebecca Housden (PA to CEO) for her good work with agendas and minutes.

Henry Blatman

Chair –Governance Sub Committee

Chief Executive Officer's Report



The 2014-2015 year has been a remarkable one for CaSPA Care with many notable achievements.

In late 2014 we were advised by the Department of Social Services that we had been successful in our application for additional residential aged care places in the 2014 Aged Care Approvals Round (ACAR). This is a highly competitive tender process run by the Department of Social Services annually. The Department reported that competition for the places was much stronger in 2014 than in previous rounds. CaSPA Care was very fortunate to be awarded 30 places in the 2014 ACAR which takes our bed numbers to 176.

The aged care reforms continued in 2014-2015 with the removal of high/low care classifications and a changing payment structure on 1st July 2014. New incoming residents are now assessed on their eligibility for care not whether they are high or low care – facilities are then required to determine if they can meet the care needs of individual residents. The change in the payment structure also required all facilities to list room descriptions, sizes and associated refundable accommodation prices (RADs) on the government website – My Aged Care. This ensured that prospective new residents could compare and research facilities in their local areas.

Given the significant change to the system CaSPA Care ran a luncheon education session in March for its members and visitors to provide much needed clarification. This session was conducted by Linda Murray of Murray Strategic and was attended by over 40 members and friends.

The year also focused on the building at 203 Napier Street. Work continued throughout the year to ensure we remained on time and budget. It is a beautiful building full of natural light and space with wonderful views over the city and rooftops of South Melbourne.

I would like to acknowledge architects Smith & Tracey and the builders Buxton Construction for an outstanding project.

Throughout the year we canvassed residents, families, staff and members and the wider community to name the facility. The most popular name – Emerald Hill Residence was a very fitting choice.

The year saw the continued development of our proposed model of care – the Household model – with staff endorsing the structural change in the CaSPA Care 2015 Enterprise Bargaining Agreement. This EBA encompassed the transition of our care staff to Homemakers and our Registered and Enrolled Nurses to Nurse Mentors. It will be exciting to begin the model when the move to Emerald Hill Residence is completed in late 2015.

During the year both South Port Community Residential Home and Claremont Home continued to perform well.

South Port

South Port had its three year full accreditation audit in May 2015 and achieved 44 out of 44 outcomes. This was a great achievement and I am very grateful to all staff who assisted in this process.

Occupancy remained reasonably consistent throughout the year at 76%.

Once the transition to Emerald Hill is completed in late 2015 South Port will continue to operate as a 30 bed home. The larger bedrooms will be enhanced to afford greater privacy for residents and the lounge and sitting areas will be restructured to provide smaller areas for the residents. The gardens at South Port have also had a major facelift and it was wonderful to see resident's b-b-queing in the front courtyard last summer.

Claremont Home

Claremont Home maintained an average occupancy of 96% throughout the year.

The residents were all looking forward to their new home at Emerald Hill and took many trips up to walk around the perimeter of the building during construction.

Our Staff

We have farewelled a number of key staff throughout the year. Heather Rota and Nisha Maideen both left to work closer to their home.

Sharon O'Neill left late 2014 to take up another position. Sharon was of great assistance throughout the transition to CaSPA Care and we wish her well in her new role.

I would like to welcome Sue Bowditch who took up the role of Executive Director – Care and Services in September 2014. Sue has brought great passion and commitment to the organisation and I am personally very grateful for all her hard work.

Thuy Huynh-Reilly commenced as Finance Manager in September 2014. Thuy has helped streamline the Finance Department and has created an efficient and effective team.

Sue Holton-Brown took up a new role as Admissions Manager in December 2014. This role was necessary as the opening of Emerald Hill Residence approached.

Cameron Neubacher joined us as Catering Manager in April 2015. Cameron has reviewed and developed a terrific menu which is greatly enjoyed by all residents.

Mick McHugh joined CaSPA Care in May 2014 as Facilities Manager and has been of great assistance in operationalising Emerald Hill Residence

Our award winners for 2014 were:

Claremont Home

Marie Fitzpatrick Leadership

Donia Augustin

Bruce Leahey Encouragement

Jordan Jackar

Harold Alexander Teamwork

Garry Lapsley

Mary Kehoe Resident Choice

Merima Mujkanovic

South Port

Melissa Campbell

Shamila Bhandari

Mick Rooney

Tommy Veselinovich

The Doris Liffman scholarship was also awarded to Mereena Abraham. Mereena plans to continue her training to be a Registered Nurse.

The following staff also reached significant milestones throughout the year:

Judy Wignell – 10 years' service

Wayne Potter – 15 years' service

I would like to thank all our staff for their care for the residents and their commitment to the organisation.

203 Napier Street

As previously discussed following a lengthy consultative process our new building was named Emerald Hill Residence. The building remained on schedule and budget throughout the year and I acknowledge the hard work and professionalism of Buxton Construction in achieving the outcome. Ted Adams, Smith & Tracey Architects was project superintendent and also was instrumental in maintaining the project on time and budget.

Emerald Hill Residence was officially opened on 4th June 2015 by The Hon. Martin Foley MLA, Minister for Housing, Disability and Ageing. Over 100 guests attended the opening despite it being one of the coldest June days.

In June the beautiful new furniture began arriving into Emerald Hill Residence, with a target date of August 15 for the commencing of the home.

Volunteers

Again we have had a wonderful year with support from our volunteers. In particular a thriving art program has produced some beautiful paintings. It is planned to expand this program once the move to Emerald Hill Residence has been finalised.

The Port Phillip Lions Club have once again been very busy with their fundraising efforts. They have raised over \$50,000 for the organisation. The café at Emerald Hill will be called Lionshare Café – as the club received naming rights with their sizable donation.

Thank you to all the members with special thanks to Maureen Smith who gives so much of her time to CaSPA Care.

CaSPA Care Board and Sub-Committees

The Board have been extremely busy throughout the year particularly with their governance of the new project. I am very grateful for their guidance and expertise across all areas and for their support during busy times.

The work of the Board Sub Committees is also invaluable. I thank all members for the time they give to the organisation.

Lastly I would like to thank the senior management for their help and support throughout 2014-2015.

To Lyn Allison and the CaSPA Care Board thank you for your help, guidance and support through an incredible period of growth for the organisation.



Stephanie Clark

Chief Executive Officer



Emerald Hill Residence officially opened

Emerald Hill Residence was officially opened on 4 June by Member for Albert Park and Minister for Ageing the Hon Martin Foley.

"I congratulate CaSPA Care for creating this beautiful residence for the frail aged in our community. Claremont Home and South Port Community Residential Home have a long and proud history of providing high quality aged-care and this new building ensures that this can be done in lovely and spacious surroundings, long into the future," Mr Foley said.

"Labor secured the land for aged care. This initiative shows how the Government partnering with providers can make it possible for people to be cared for in their local area and help win better outcomes for the community."

Also present were the previous Minister for Health, the Hon David Davis, who two years ago turned the first sod, former MLC, Andrea Coote, Margaret Fitzherbert MLC, Jane Herington Director of Aged Care from the Victorian Department of Health and Human Services, Mayor Amanda Stevens and councillors from the City of Port Phillip and around 120 CaSPA Care members and people who played a role in its development.

The 146-bed home is the culmination of many years of hard work and commitment by the CaSPA Care Board, CEO and staff to ensure that older people can remain in their community as they age.

In her speech, Chair of the Board, Lyn Allison thanked everyone for their work, saying that community-based residential aged care providers like CaSPA Care were rare, acknowledging that the organisation and the new building existed because people in this community have always collaborated, take care of one another and place a very high value on the welfare of their elderly citizens.

Central to the success of the development were Architects, Smith & Tracey – particularly Ted Adams and Gerard Meehan – and Construction Managers, Buxton Constructions – Andrew Briggs and Andrew Stapleton.

The \$27m building was completed in just two years – on time and within budget.

She cited the community's significant role in the establishment of Claremont 50 years ago and South Port almost 30 years ago and the longstanding financial support of Rotary, the Lions Club, the South Melbourne Community Chest and other donors.

The site; formerly the St Vincent's Boys' Home school, is leased to CaSPA Care by the Victorian Government. A generous grant of \$3 million was provided by the City of Port Phillip towards the cost of the building.

The home is a beautiful, state-of-the-art building with wonderful views, gardens, terraces and courtyards. It has generous bedrooms and private bathrooms, numerous dining, lounge, recreation and sitting spaces on each of its four floors.

The heritage building on Napier Street houses administration, a café, wellness centre, library, hairdresser, theatre, art room and is the community hub.

Emerald Hill Residence will offer CaSPA Care's new and innovative model of care, giving residents respectful choice and control over their lives ensuring dignity, security and enjoyment in their later years.

Every effort has been made to ensure a home-like and welcoming environment.

In naming the new building Emerald Hill Residence, CaSPA Care recognised the geographic location and intended to capture its great respect for the frail elderly, consistent with its mission and values.



CaSPA Care holds 2nd Annual Gala at new home Emerald Hill Residence

The event was held in Park Place which is a 15 bed Memory Support Unit at Emerald Hill Residence. Park Place has a large domestic kitchen at its heart and beautiful dining, living, sitting and activity spaces. Guests were able to experience the lovely ambience and the magnificent view from all aspects.

Guests were entertained by singers and musicians from the Victorian College of the Arts Secondary School who performed a number of songs. Luv-a-Duck generously provided a very tasty assortment of canapés which were thoroughly enjoyed by guests.

Thank you to Therese and Kim for providing Luv-a-Duck's generous support.

The Port Phillip Lions Club made a special presentation to CaSPA Care. Maureen Smith – President of the Port Phillip Lions Club, Sue McGowan – Secretary, and club member Jan Attwood presented a cheque for \$50,000 to CaSPA Care for the naming rights to the café which will be named Lionshare Café. Lyn Allison – Chair of the CaSPA Care Board accepted the cheque on behalf of CaSPA Care and thanked them for their efforts in raising the funds and their ongoing support of the organisation.

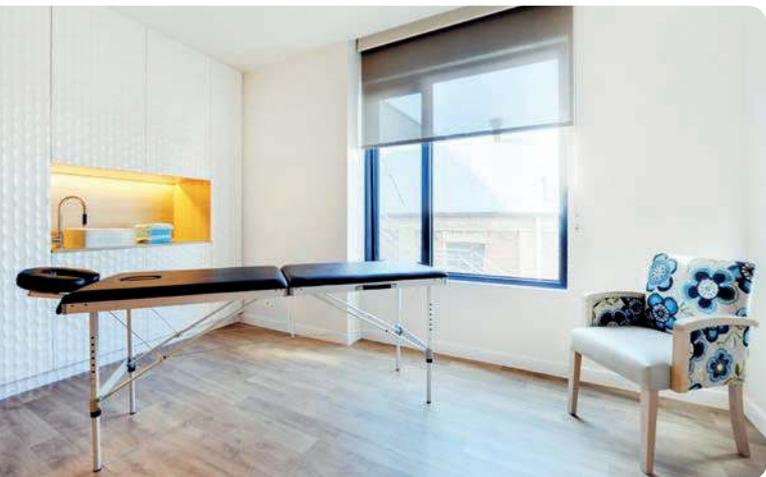
Over \$800 was raised from the raffle and silent auction where all prizes were generously donated.

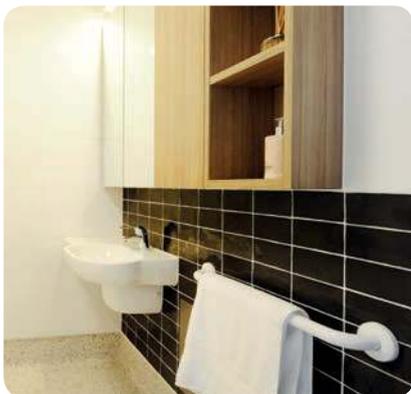
Special thanks to those who donated prizes to our raffle and silent auction; Port Phillip Lions Club, The Vincent Albert Park, Les Peach, Betty McDowell Lingerie, Bunnings Port Melbourne, Peninsula Sports Medicine, Jacki Burgess and Liz and Dave Robson.





Emerald Hill Residence







Open Day Success

More than 300 people took advantage of Emerald Hill Residence Open Day on 11 July 2015 and the general view was 'it's marvellous!'.

CaSPA Care CEO, Stephanie Clark said "We are very pleased with the community's response to our beautiful new building. Despite cold and wet conditions, a steady stream of people came throughout the day, many looking for a potential home for themselves or a relative and they were definitely impressed."

Open day was helped along by Luv-a-Duck who generously provided delicious duck sampling plates, eaten in the light-filled kitchen/living areas of House 3 Park Place with views over Raglan Street. Massage and music was provided by Smooth FM and our catering crew served coffee and cake in The Bakehouse.



Board of Directors Report

Your Board Members present their report on the consolidated entity, being Claremont and South Port Aged Care Limited and South Port Community Residential Home Inc. for the financial year ended 30 June 2015.

Board Members

The names of board members for the whole of the financial year and up to the date of this report unless otherwise stated are:

Board Members	
Lynette Allison	(Appointed 5/3/2010)
Henry Blatman	(Appointed 1/3/2012)
Beris Campbell	(Appointed 6/10/2011)
Richard Gates	(Appointed 1/3/2012)
David Gorman	(Appointed 5/3/2010)
Antony Hill	(Appointed 5/3/2010)
Anita Horvath	(Appointed 29/5/2014)
Julie Prideaux	(Appointed 21/6/2012)
Elizabeth Robson	(Appointed 1/3/2012)
Heather Witham	(Appointed 1/3/2012)

Information on Directors



Lynette Allison: Director /President

Qualification:
Bachelor Education

Experience:

- Held the aged care portfolio for the Australian Democrats and worked with previous Federal Governments on reforms for the sector.
- South Port Community Residential Home Committee of Management Member since 2008.

Special Responsibilities:

President, Vice Chair Governance Sub Committee



Henry Blatman: Director

Qualifications:
Bachelor of Commerce
Graduate Diploma in Organisational Change and Consulting (Leadership)

Experience:

- Director of CaSPA Care since 2012

Special Responsibilities:

Chair of Governance Sub Committee



Beris Campbell: Director

Qualifications:
Bachelor of Arts
Diploma Social Studies

Experience:

- Social worker with over 40 years' experience in community services, particularly aged care, mostly in local government.
- Involved in the establishment of South Port Community Residential Home in the late 1970s and was a member of its board from inception to the merger with Claremont Home to form CaSPA Care in 2012.
- Sits on the board of South Port Community Housing Group, which manages over 200 community housing units in South and Port Melbourne.

Special Responsibilities:

Chair of Clinical Governance Sub Committee



Richard Gates: Director/Treasurer

Qualifications:
Bachelor of Economics (Honors)

Experience:

- Experienced senior banker who heads ANZ's Australian health and aged care banking business. He has a strong network with stakeholders in the aged care sector including Government, operators and advisers to the industry.

Special Responsibilities:

Chair of Audit, Finance and Risk Sub Committee



David Gorman: Director/Co-Vice President

Qualifications:
Bachelor of Commerce
Chartered Accountant

Experience:

- Committee of Management Member of Claremont Home 1997-2013. Former Treasurer and Vice President.

Special Responsibilities:

Co-Vice President

Board of Directors Report

Information on Directors



Antony Hill: Director/ Co-Vice President

Qualifications:

Barrister and Solicitor of the Supreme Court

Experience:

- Claremont Home Committee of Management Member from early 1990's–2013. Former Vice President and President.

Special Responsibilities:

Co-Vice President, Vice Chair of Communications and Fundraising Sub Committee



Cr Anita Horvath: Director

Qualifications:

Bachelor of Arts (hons),
Bachelor of Law
Masters of Laws

Experience:

- City of Port Phillip Councillor, joined Board in 2014



Julie Prideaux: Director

Qualifications:

Bachelor of Arts
Diploma of Education
Bachelor of Social Work

Experience:

- Extensive understanding of the aged care sector having worked as a consultant to state and local governments on aged care research, planning and strategy projects.
- South Port Community Residential Home Committee of Management member since 2002 and former Chair of the committee.

Special Responsibilities:

Vice Chair of Audit, Finance and Risk Sub Committee



Elizabeth Robson: Director

Qualification: Diploma in Nursing

Experience:

- Worked in aged care for over 35 years. She has wide experience in the operations of aged care facilities being a Deputy Director of Nursing of a 60 bed high care facility for many years and in later years being employed by some facilities as an Acting Manager and Nurse Advisor with the prime responsibility of bringing the facility up to the required standards.
- For nine years Liz worked for the Commonwealth Department of Health and Aged Care as a Standards Monitor assessing the care of residents in both high and low care facilities.
- Claremont Home Committee of Management member 2008- 2013.
- Member of the Older Persons' Consultative Committee for the City of Port Phillip advising on issues relating to older persons.

Special Responsibilities:

Vice Chair of Clinical Governance Sub Committee



Heather Witham: Director

Qualifications:

Registered Nurse
BA in Journalism and Public Relations

Experience:

- Involved in aged care policy since 2005, at which time she was the Advisor to the Shadow Minister for Ageing, Disabilities and Carers where she developed the policies for the 2007 Federal Election. Following the election, she was Senior Policy Advisor to the Minister for Ageing. Since then Heather has worked for a lobbying firm in Canberra and two state ministers advising on seniors, disabilities and women's affairs portfolios.
- Heather is currently Manager, Government Relations and Policy for the peak body representing not-for-profit aged care providers. In this role she develops targeted lobbying and advocacy activities to ensure positive outcomes for the aged care sector.

Special Responsibilities:

Chair of Communications and Fundraising Sub Committee

Meetings of Directors

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

Director's Meeting		
Name	Meetings eligible to attend	Meetings attended
Lynette Allison	11	10
Henry Blatman	11	9
Beris Campbell	11	10
Richard Gates	11	3
David Gorman	11	9
Antony Hill	11	9
Anita Horvath	11	8
Julie Prideaux	11	9
Elizabeth Robson	11	9
Heather Witham	11	7

Objectives

The short-term and long – term objectives of the Group is to provide permanent and respite accommodation to the frail elderly assessed as being eligible for residential aged care.

Strategy for Achieving the objectives

The Group's strategy for achieving these objectives includes:

- To continue to research and implement contemporary and best practice models of care for residents; and
- To provide high quality professional development and training for all staff.

Principal Activities

The principal activities of the Group during the financial year were to provide permanent and respite accommodation and associated services to elderly citizens generally assessed as requiring care.

Performance Measures

The Group measures performance through the use of both quantitative and qualitative measures. These are used by the Board and Management to assess whether the Group has achieved its short and long term objectives.

Significant Changes in Activities

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

Significant Changes in the State of Affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year.

Events Subsequent to Reporting Period

A review of accounts has highlighted a potential over payment from the Department of Social Services. Whilst this is currently being investigated it is not possible to put a contingent figure on the amount at the date of this report.

All residents from Claremont Home were relocated to Emerald Hill Residence and Claremont Home was subsequently closed.

Apart from the issued noted above, there has not arisen in the interval between the end of the financial year and the date of this report, any additional item, transaction or event of material and unusual nature likely, in the opinion of the directors of the Group, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Indemnification of Officers and Auditors

Since the end of the previous financial year, the Group has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Group.

Operating Result

The operating surplus amounted to \$365,544 (2014: \$600,833). The surplus after income tax expense for the year attributable to the members of the entity was \$365,544 for 2015 and \$3,600,833 for 2014, including the council contribution of \$3million received in 2014.

The total comprehensive income for the year amounts to \$5,984,751 (2014: \$3,600,833) after the recognition of the net revaluation gain on land and buildings of \$5,619,207 in the current year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required in terms of Section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* is set out on the following page and forms part of this Board of Management report.

On behalf of the directors:



President



Treasurer

Dated: 30 September 2015



Auditor Independence Declaration under Section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012* to the members of Claremont and South Port Aged Care Limited.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015, there have been:

- (i) no contraventions of the auditor independence requirements under Section 60-40 of the Australian Charities and Not-for-Profits Commission Act 2012, in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

CROWE HORWATH MELBOURNE

A handwritten signature in black ink, appearing to read "Ryan Leemon".

Ryan Leemon

Partner

Melbourne Victoria

Dated: 30 September 2015

Claremont & South Port Aged Care Limited

ABN: 53 142 425 527

Statement by Members of the Board

In the opinion of the Board the consolidated general purpose financial report as set out on pages 18 to 33:

1. the attached consolidated financial statements and notes thereto comply with the Australian Accounting Standards - Reduced Disclosure Requirements, the Australian Charities and Not-for-Profits Commission Act 2012 and other mandatory professional reporting requirements;
2. the attached consolidated financial statements and notes there to give a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
3. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



President



Treasurer

Dated: 30 September 2015

Consolidated Statement of Profit or Loss and other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
Operating income			
Revenue	2	9,110,112	9,165,052
Total operating income		9,110,112	9,165,052
Residential services	3	(1,340,840)	(1,143,978)
Depreciation expense	3	(486,443)	(486,723)
Employee benefits expenses	3	(5,979,750)	(6,166,950)
Repairs and maintenance expense		(201,336)	(259,145)
Other expenses		(736,198)	(507,423)
Operating surplus for the year		365,544	600,833
Non-operating income			
Council contribution		-	3,000,000
Total Non-Operating income		-	3,000,000
Surplus for the year before income tax expense		365,544	3,600,833
Income tax expense	1(c)	-	-
Surplus after income tax expense for the year attributable to the members of the Group		365,544	3,600,833
Other comprehensive income			
Other Comprehensive Income that will not be reclassified to profit and loss in subsequent periods:			
Net gain on revaluation of land and buildings		5,619,207	-
Total comprehensive income attributable to members of the Group.		5,984,751	3,600,833

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	5,830,675	8,278,633
Trade and other receivables	5	117,147	119,697
Other current assets	6	121,086	133,922
TOTAL CURRENT ASSETS		6,068,908	8,532,252
NON-CURRENT ASSETS			
Property, plant and equipment	7	13,405,780	8,051,228
Project developments	8	30,165,511	9,185,863
TOTAL NON-CURRENT ASSETS		43,571,291	17,237,091
TOTAL ASSETS		49,640,199	25,769,343
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	986,225	1,954,738
Other current liabilities	10	6,565,035	4,204,137
Construction loan	11	3,315,304	-
Provisions	12	343,789	330,307
TOTAL CURRENT LIABILITIES		11,210,353	6,489,181
NON-CURRENT LIABILITIES			
Construction loan	11	13,261,218	-
Provisions	12	87,159	183,443
TOTAL NON-CURRENT LIABILITIES		13,348,377	183,443
TOTAL LIABILITIES		24,558,750	6,672,624
NET ASSETS		25,081,469	19,096,719
EQUITY			
Reserves		9,273,354	3,654,147
Retained Earnings		15,808,116	15,442,572
TOTAL EQUITY		25,081,469	19,096,719

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2015

	Retained Earnings \$	Reserves \$	Total \$
Balance at 1 July 2013	11,841,738	3,654,147	15,495,885
Total Comprehensive Income for the year attributable to members	3,600,833	-	3,600,833
Balance at 30 June 2014	15,442,572	3,654,147	19,096,719
Total Comprehensive Income for the year attributable to members	365,544	-	365,544
Other Comprehensive Income for the year, net of tax	-	5,619,207	5,619,207
Balance at 30 June 2015	15,808,116	9,273,354	25,081,469

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Commonwealth Department of Health		6,635,771	6,461,989
Council contribution		-	3,000,000
Receipts from residents		2,191,119	2,074,731
Interest and dividends received		211,399	384,786
Other sundry receipts		74,372	243,545
Payments to suppliers and employees		(8,039,518)	(6,498,408)
Net cash provided by operating activities	14	1,073,143	5,666,643
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(221,788)	(416,906)
Payment for project development costs		(22,149,648)	(8,074,276)
Net movement in investments		-	-
Net cash used in investing activities		(22,371,436)	(8,491,182)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in construction loan		16,576,522	-
Increase in resident bonds		2,273,813	174,909
Net cash from financing activities		18,850,335	174,909
Net decrease in cash held		(2,447,958)	(2,649,630)
Cash and cash equivalents at beginning of year		8,278,633	10,928,263
Cash and cash equivalents at end of year	4	5,830,675	8,278,633

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

General information

The financial report includes the consolidated financial statements and notes of the consolidated entity, being Claremont and South Port Aged Care Limited and South Port Community Residential Home Inc. ('the Group'). The operations of these entities have been conducted at the locations of Claremont Home and South Port Community Residential Home. Claremont and South Port Aged Care Limited is a not-for-profit unlisted public company limited by guarantee and South Port Community Residential Home Inc. is an Incorporated Association. The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

The consolidated financial statements for the year ended 30 June 2015 were approved and authorised for issue by the Board of Directors on 30th September 2015.

Basis of preparation

The consolidated financial statements are general purpose financial statements, prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the Australian Charities and Not-for-Profits Commission Act 2012 and associated regulations as appropriate for not-for-profit oriented entities.

The consolidated 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

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

New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of 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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

The following Accounting Standards and Interpretations are most relevant to the Group:

- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Liabilities;
- AASB 2012 – 3 Amendments to AASB 136- Recoverable Amount Disclosures for non-financial assets;
- AASB 2014-1 Amendments to Australian Accounting Standards (Part A to C); and

- AASB 10 and AASB 2013-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-profit entities – Control and Structured entities.

These new and revised accounting standards are effective for periods beginning on or after 1 January 2014. The adoption of these standards has not had any significant impact on the Group.

The following Accounting Standards have been issued but are not yet effective:

- AASB 9 Financial Instruments; and
- AASB 15 Revenue from Contracts with Customers.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The expected impact on the consolidated financial statements of the Accounting Standards that have been issued but are not yet effective is detailed below:

AASB 9 Financial Instruments

AASB 9 replaces the existing guidance in AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition on financial instruments from AASB 139.

AASB 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The directors of the Group anticipate that the application of AASB 9 in the future may have an impact on the amounts reported in respect to the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of AASB 9 until the Group undertakes a detailed review.

AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The core principle of AASB 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The directors of the Group anticipate that the application of AASB 15 in the future may have an impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of AASB 15 until the Group undertakes a detailed review.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

a. Basis of consolidation

The Group financial statements consolidate those of Claremont and South Port Aged Care Limited and South Port Community Residential Home Inc. as at 30 June 2015. All transactions and balances between Group entities are eliminated on consolidation, including unrealised gains and losses on transactions between Group entities. There are no non-controlling interests in these entities.

Subsidiaries

The consolidated financial statements include the parent company its subsidiaries.

Entities under the control of Claremont and South Port Aged Care Limited are:

South Port Community Residential Home Inc.

Subsidiaries are all entities over which the Group has management control. Claremont and South Port Aged Care Limited is governed by a Board of Directors. South Port Community Residential Home Inc. has a Committee of Management. Both the Board of Directors and Committee of Management share common members for continuity. Accordingly Claremont and South Port Aged Care Limited is able to govern the financial and operating policies by virtue of control. As management deem that Claremont and South Port Aged Care Limited has control of South Port Community Residential Home Inc., this entity has been included in the consolidated financial statements.

b. Revenue

Grants

Non-reciprocal grant revenue is recognised in profit or loss when the Group obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Group and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the Group incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the consolidated Statement of Financial Position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Contributions

Claremont and South Port Aged Care Limited receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the consolidated Statement of Financial Position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests

Donations and bequests are recognised as revenue when received.

Resident fees

Residents may be liable to pay basic daily fees, means tested care fees and accommodation payments under the relevant act. These fees are recognised as revenue when services are provided.

Retention fees

Monthly retention fees are deducted from accounts according to statutory requirements and recognised as revenue.

Interest

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

c. Income tax

No provision for income tax has been raised as the Group is exempt from income tax under Div. 50 of the Income Tax Assessment Act 1997.

d. Property, plant and equipment

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

Property

Land and buildings are shown at their fair value based on valuations by external independent valuers.

An independent valuation was performed in 2015 whereby the freehold land and buildings were reflected at fair value less subsequent depreciation for buildings. Refer to note 1(l) for details of fair value.

In periods when the freehold land and buildings have not been subject to an independent valuation, the directors review the carrying value to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation reserve. All other decreases are recognised in profit or loss.

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

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Capital Work in Progress / Project Developments

Project developments are shown at cost and are not depreciated until such time as work is completed and the Project development is fit for use. When capital work is complete the asset is transferred to Property, Plant and Equipment.

Leased Property

Property subject to lease arrangements is not considered to be Property, Plant and Equipment and is not capitalised. Leasehold improvements are capitalised and depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Furniture and Fittings	10% – 25%
Plant and equipment	20% – 60%
Project development	0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

e. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the entity, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

f. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

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 settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the net present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the entity to employee superannuation funds and are charged as expenses when incurred. Annual leave that is not expected to be wholly settled within 12 months is discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

g. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated Statement of Financial Position. The construction loan has been included in financial liabilities.

h. Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the consolidated Statement of Financial Position.

Cash flows are presented on a gross basis in the consolidated Statement of Cash Flows. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

i. Comparative figures

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

j. Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the Group during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

k. Loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings. Borrowings are classified as current liabilities unless the entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

l. Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

m. Economic dependence

Claremont and South Port Aged Care Limited is dependent on the Department of Health and Ageing for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors has no reason to believe the Department will not continue to support Claremont and South Port Aged Care Limited.

n. Critical accounting estimates and judgments

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the consolidated financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events; management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimate of fair value of property

The entity has a property at 286-294 Albert Road, South Melbourne with a carrying value of approximately \$10.8 million for land and \$1.2million for buildings, representing the estimate of fair value at reporting date. The property represents a high proportion of the total assets of the entity.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Fair value has been determined by an independent external valuation of the property at 30 June 2015 on the basis detailed in Note 7 Property Plant and Equipment. The value of the property at 30 June 2015 has been assessed by taking into account factors and market conditions evident at reporting date. The current valuation has been performed on the highest and best value basis in accordance with AASB 13 Fair value measurement.

The development of 203 Napier Street, South Melbourne has been based on actual costs incurred, (refer to note 8). An independent valuation will be performed in the next financial year for this property.

Changes in market conditions in the future may impact the fair value in the future.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets

The Group assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1(f), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Deferral of grant revenue

When grant revenue is received whereby the Group incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is initially recognised in the consolidated Statement of Financial Position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

o. Current and Non-current classification

Assets and liabilities are presented in the consolidated Statement of Financial Position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

p. Working Capital Deficiency

The consolidated Statement of Financial Position shows a deficit in working capital at 30 June 2015 of \$5,141,445. Current liabilities include resident funded loans in the form of resident bonds totalling \$6,315,093, which are repayable at call, subject to applicable conditions.

Historical turnover statistics indicate that only a small percentage of resident funded loans are likely to be required to be repaid within the next twelve months.

Directors believe that operational resources and cash reserves are sufficient to meet all financial commitments as and when they fall due for the coming twelve month period.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
NOTE 2: REVENUE		
Operating revenue		
Operating grants from Department of Health	6,635,771	6,461,989
Resident fees	2,191,119	2,074,731
Donations	19,953	-
Interest and dividends received	211,399	384,786
Rent	44,930	66,039
Sundry income	6,939	177,506
	9,110,112	9,165,052
Non -operating revenue		
Council contribution	-	3,000,000
Total revenue	9,110,112	12,165,052
NOTE 3: EXPENSES		
Residential Services		
Cleaning and housekeeping supplies	52,433	72,819
Crockery and cutlery	6,121	5,093
Dietary	312,262	295,829
Excursion and activities	24,496	26,736
Linen service	97,658	72,705
Physiotherapist and other consultant	113,118	237,240
Resident expenses and medical supplies	428,025	200,323
Rubbish removal	33,494	30,938
Security	15,566	14,650
Bus expenses	4,863	4,307
Sundries	-	24,805
Utilities and services	252,803	158,532
Total residential services	1,340,840	1,143,978
Staff expenses		
Wages and salaries	5,009,638	5,464,852
Superannuation	495,788	446,232
Workcover	134,894	159,579
Other employee expenses	339,430	96,287
Total staff expenses	5,979,750	6,166,950
Depreciation		
Equipment	70,477	74,692
Buildings	320,616	315,156
Furniture and fittings	95,351	96,875
Total depreciation	486,443	486,723

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
NOTE 4: CASH AND CASH EQUIVALENTS		
Total cash at bank	5,830,675	8,278,633
	5,830,675	8,278,633
NOTE 5: TRADE AND OTHER RECEIVABLES		
Trade receivables	(2,942)	22,955
Prepayments	83,026	97,158
Commonwealth funding clearing account	37,063	13,445
Undeposited funds	-	(13,860)
	117,147	119,697
NOTE 6: OTHER CURRENT ASSETS		
GST Receivable	121,086	133,922
	121,086	133,922

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

		2015	2014
		\$	\$
NOTE 7: PROPERTY, PLANT AND EQUIPMENT			
Land and Buildings			
Land at fair value at 286–294 Albert Road, South Melbourne	(a)	10,800,000	2,600,000
Buildings at fair value at 286–294 Albert Road, South Melbourne	(a)	1,200,000	5,400,000
Less: Accumulated Depreciation		-	(1,536,046)
		1,200,000	3,863,954
Leasehold improvements at South Port 18–30 Richardson Street, Albert Park	(b)	1,017,088	991,762
Less: Accumulated Depreciation	(b)	(237,455)	-
		779,633	991,762
Total land and buildings		12,779,633	7,455,716
Plant and equipment		717,147	684,905
Less: Accumulated depreciation		(626,451)	(580,631)
		90,696	104,274
Computer equipment and software		163,716	51,458
Less: Accumulated depreciation		(43,174)	(18,517)
		120,542	32,941
Furniture and fittings		1,642,142	1,590,179
Less: Accumulated depreciation		(1,227,234)	(1,131,883)
		414,908	458,296
Total plant and equipment		626,147	595,511
Total property, plant and equipment		13,405,780	8,051,227

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

2015	Freehold land \$	Buildings \$	Leasehold improvements \$	Plant and equipment \$	Total \$
Balance at 1 July 2014	2,600,000	3,863,954	991,762	595,511	8,051,228
Additions	-	-	25,326	196,462	221,788
Depreciation expense	-	(83,161)	(237,455)	(165,828)	(486,443)
Revaluation recognised in equity	8,200,000	(2,580,793)	-	-	5,619,207
Balance at 30 June 2015	10,800,000	1,200,000	779,633	626,147	13,405,780
Balance at 30 June 2014	2,600,000	3,863,954	991,762	595,511	8,051,227

- a. The entity has a property at 286-294 Albert Road, South Melbourne with a carrying value of \$10.8 million for land and \$1.2million for buildings, representing the fair value at reporting date. Fair value has been determined by an independent external valuation of the property at 30 June 2015. The current valuation has been performed on the highest and best value basis in accordance with AASB 13 Fair value measurement.
- b. Leasehold improvements relate to amounts which have been capitalized in respect of improvements made to the property under lease at 18-30 Richardson Street, Albert Park. Improvements have been recognized at cost and amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

NOTE 8: PROJECT DEVELOPMENT

Project development costs relate to the development of the Emerald Hill residence at 203 Napier Street, South Melbourne. The development has been based on actual costs incurred in relation to the completion of the development of the 146 bed facility. An independent valuation will be performed in the next financial year for this property upon transfer to Buildings. Total spending on the project amounts to \$30,165,511. The building has been completed and the official opening was held on 11th July 2015. The residents moved into the residence on 24th August 2015.

	2015 \$	2014 \$
NOTE 9: TRADE AND OTHER PAYABLES		
Trade payables	333,656	146,417
Accruals	648,221	1,801,272
Provision for impairment of receivables	4,348	7,059
	986,225	1,954,748

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
NOTE 10: OTHER CURRENT LIABILITIES		
PAYG tax payable	63,436	51,486
Payroll accruals	151,226	110,876
Payroll deductions payable	35,280	495
Resident bonds	10(a) 6,315,093	4,041,280
Total other current liabilities	6,565,035	4,204,137
<i>10(a). Resident bonds include:</i>		
Total agreed bonds	9,025,081	5,883,287
Unpaid bonds (reflecting bonds receivable)	(2,470,000)	(1,626,966)
Retentions and adjustments	(239,988)	(215,041)
	6,315,093	4,041,280
NOTE 11: CONSTRUCTION LOAN		
Current	3,315,304	-
Non-current	13,261,218	-
	16,576,522	-

CASPA Care has signed an agreement with the Bank of Melbourne for a loan in relation to the construction of the Emerald Hill residence at 203 Napier Street, South Melbourne. There is also a bank guarantee facility that is available if this is required.

The facility has a term of 5 years from the draw down date of October 2014.

The security for the facility is:

- First registered real property mortgage by Claremont and South Port Aged Care Limited over the Aged Care Property located at 286-294 Albert Road, South Melbourne, 3205;
- First registered real property mortgage by Claremont and South Port Aged Care Limited over the leasehold interest in the Aged Care Property located at 203 Napier Street, South Melbourne, 3205;
- First Registered general security agreement over the assets and undertaking of Claremont and South Port Aged Care Limited; and
- Flawed asset arrangement over any cash deposits relating to Accommodation bonds held with the bank given by Claremont and South Port Aged Care Limited.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

		2015	2014
		\$	\$
NOTE 12: EMPLOYEE BENEFITS			
Current			
Annual leave entitlements	12(a)	334,105	309,925
Long service leave entitlements		9,684	20,383
Total current employee provisions		343,789	330,308
Non-current			
Long service leave entitlements		87,159	183,443
Total provisions		430,948	513,751

12(a) – In accordance with AASB 119 Employee benefits, employee benefits that are expected to be settled within 12 months after the end of the reporting period are short-term benefits, and have not been discounted when calculating leave liabilities. Annual leave not expected to be used within 12 months of end of reporting period has been discounted when calculating leave liability.

NOTE 13: KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below.

Aggregate compensation	452,242	475,183
-------------------------------	----------------	----------------

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

	2014 \$	2013 \$
NOTE 14: CASH FLOW INFORMATION		
Operating Surplus	365,544	3,600,833
<i>Non-cash Flows in Operating Surplus</i>		
Depreciation	486,443	486,543
<i>Changes In Assets and Liabilities</i>		
Increase in Trade Payables and Accruals	288,573	1,543,321
Decrease in Receivables and Prepayments	2,550	39,162
Increase in Other Assets	12,835	(17,867)
Increase in Provisions	(82,802)	14,651
Net Cash Provided By Operating Activities	1,073,143	5,666,643

NOTE 15: CONTINGENT LIABILITIES

A review of the consolidated financial accounts of Claremont and South Port Aged Care Limited has highlighted a potential over payment over a number of years of funding amounting to approximately \$650,000 from a funding body. Whilst this is currently being investigated with the funding body, it is not possible to put a contingent liability for the obligation to repay as at the date of this report as advice is being sought regarding an appropriate outcome.

The Group had no other contingent liabilities as at 30 June 2015 and 30 June 2014.

NOTE 16: COMMITMENTS

As at 30 June 2015, the Group remained committed to the development of the Emerald Hill Residence at 203 Napier Street, South Melbourne (refer note 18) which was completed in 2015. The bank facility was in place to ensure that this commitment was met by the Group.

The Group will have an ongoing lease commitment in relation to the property at 203 Napier Street, South Melbourne Vic 3205. The rent is an annual ground rent being 2% of the market value of the land as assessed having regard to the permitted use, this obligation will commence from 3 years following the date of completion of the development.

The Group has an ongoing lease commitment in relation to the property at 18-30 Richardson Street, Albert Park Vic 3206 for \$1 per annum.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 17: RELATED PARTY TRANSACTIONS

Key management personnel

Disclosures relating to key management personnel are set out in note 13.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

NOTE 18: EVENTS AFTER REPORTING DATE

The following are events which have occurred subsequent to year end:

- The development of the Emerald Hill Residence at 203 Napier Street, South Melbourne has been completed. All residents from Claremont Home were relocated to Emerald Hill in late August. The Lionshare Café is due to open in October 2015 at Emerald Hill. Claremont Home has now been closed pending a review of its future usage.

No further matters or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

NOTE 19: GROUP DETAILS

The registered office of the Group and principal place of business is:

Claremont Home

286-294 Albert Road
South Melbourne Vic 3205

South Port Community Residential Home

18-30 Richardson Street
Albert Park Vic 3206

Emerald Hill Residence

203 Napier Street
South Melbourne Vic 3205



Independent Auditor's Report to the Members of Claremont and South Port Aged Care Limited.

Report on the financial report

We have audited the accompanying financial report of the Claremont and South Port Aged Care Limited and its controlled entities ('the Group'), which comprises the consolidated Statement of Financial Position as at 30 June 2015, the consolidated Statement of Profit or Loss and Other Comprehensive Income, consolidated Statement of Changes in Equity, and consolidated Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the Group are responsible for the preparation of the consolidated 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 consolidated financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not for Profits Commission Act 2012*. We confirm that the independence declaration required by Section 60-40 of the Australian Charities and Not for Profits Commission Act 2012, has been given to the directors of Claremont and South Port Aged Care Limited, and a copy of that declaration is attached to the consolidated annual financial report.

**Auditor's Opinion**

In our opinion, the consolidated financial report of Claremont and South Port Aged Care Limited and its controlled entities is in accordance with the Australian Charities and Not for Profits Commission Act 2012 including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- ii) complying with Australian Accounting Standards and the *Australian Charities and Not for Profits Commission Act 2012*.

CROWE HORWATH MELBOURNE

A handwritten signature in black ink, appearing to read "Ryan Leemon".

Ryan Leemon

Partner

Melbourne Victoria

Dated: 30 September 2015



CaSPACare

Living well. Living locally.

Claremont and South Port Aged Care Ltd ABN: 53 142 425 527

Corporate Office

203 Napier Street South Melbourne VIC 3205

Phone: 03 9633 9200 Fax: 03 9633 9301

Emerald Hill Residence

203 Napier Street South Melbourne VIC 3205

Phone: 03 9633 9200 Fax: 03 9633 9301

South Port Community Residential Home

18-30 Richardson Street Albert Park VIC 3206

Phone: 03 9690 3166 Fax: 03 9696 7370

Email: info@caspacare.org.au www.caspacare.org.au