



CaSPA Care

Claremont and South Port Aged Care Ltd

2014 Annual Report

About CaSPA Care

Background

CaSPA Care is the merger of two community based organisations, Claremont Home and South Port Community Residential Home. Claremont has provided residential care services in the local area for over 50 years and South Port, 30 years.

The committees of management of both organisations were conscious that to provide care in an era of increasing frailty of residents and more robust certification and accreditation standards, merging the two organisations would enable them to continue to provide quality services on a larger scale to current and future residents.

Work is progressing on construction of the new 146-bed facility at 203 Napier Street, South Melbourne, site which will bring together residents from both facilities and provide quality services for people from the local community now and into the future.

In the meantime, Claremont Home and South Port Community Residential Home will be in operation as usual under the management of CaSPA Care.

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** Clarmont Home Facility Report
Clarmont Home Financial Report
- 9** South Port Facility Report
South Port Financial Report
- 10** 203 Napier Street Progress
- 12** CaSPA Gala
- 13** Board of Directors
- 18** Financials

CaSPA Care

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Chairperson's Report



On behalf of the Board of Claremont & South Port Aged Care Ltd, I am pleased and proud to report that the organisation has again had a very productive and successful year.

The Board has effectively, strategically and collaboratively guided CaSPA Care, greatly assisted by our CEO, Stephanie Clark.

In May this year we welcomed Councillor Anita Horvath to the Board. She was appointed as an additional director, in line with our agreement with the City of Port Phillip around their generous contribution of \$3m to the development of 203 Napier Street, bringing our numbers on the Board to ten. Anita brings very valuable skills to the table, an all-important connection with Council and, as the representative of the people of the Emerald Hill Ward in which our new home is located, a strong link with our closest neighbours.

We continue to make good use of the sub committees of the Board ably led by directors. Richard Gates, also our Treasurer, now chairs the Audit Finance and Risk Sub Committee and Beris Campbell, Heather Witham and Henry Blatman continue as chairs of Clinical Governance, Communications and Governance respectively.

Non-director Sub Committee members, Pat Brown, Eric Dyrenfurth, David Graham and Annette Coy, stepped down after some years of valuable service, for which we warmly thank them. The Governance Sub Committee welcomed Damien Ferrie, CEO of Inner South Community Health – an organisation with which we look forward to having strong ties in the future – and Ian Gould. Adair Bunnett makes a valuable contribution through our Heritage Working Group and Clinical Governance Sub Committee, as does Peter Manger on Communications and Fundraising and Norm Armstrong on Project Control. As former members of the committees of management for Claremont and South Port, we especially value their involvement. Richard Roberts is on Audit Finance and Risk, Peter Penry Williams on Governance and the well-connected Maureen Smith serves on Communications.

Assisted by a facilitator, the Board met last October to set its objectives for the coming year and, more recently conducted a 'self-evaluation' of its performance.

Our new development at 203 Napier has been smooth-sailing with the construction contract signed for \$25m and progress now well ahead of time and well within budget thanks to Buxton Constructions, our architects, Smith & Tracey and our Chief Executive Officer's thorough operational and financial knowledge and diligence in all steps along the way. This includes selecting the Bank of Melbourne as our financiers.

My thanks to consultant, Gordon Gemmell, who assisted South Port in the long journey to find and develop a new site and whose contract is now complete.

The final stages of board decision-making for the project have been around the public areas – the entrance, lobby, café and landscaping – and we are looking forward to a tour of the site as these and other spaces take shape.

We have established criteria and sought suggestions from members, residents and staff for naming 203 Napier Street and hope to announce this soon so marketing can begin in earnest.

It has been a year of dramatic change in aged care with the distinction between high and low care at last being removed. This was made more complicated by the timing of our transition into the new development. However, we are confident that the bond prices we have struck are both competitive and adequate for repaying bank finance on the capital works for our new home and to prepare us well for future projects.

The Federal Government decision to remove the dementia supplement and a more stringent approach to ACFI rates has reduced income. However, we expect to continue to deliver modest surpluses in operations.

Occupancy levels continue to be slightly under budget and an ongoing challenge. Efforts in marketing the value of our care and timely responsiveness to fluctuations in numbers are managing the financial risk. To maintain high accommodation standards we continue to invest in capital works and equipment, some of which can be transferred to our new home.

Both Claremont and South Port met all 44 Commonwealth Department quality outcomes and were successfully accredited for the next three years which is a great achievement and for which we thank our staff.

I am very optimistic for the future of this organisation and for aged care serving well the residents of the City of Port Phillip who, according to a very recent study, will need more than 140 additional aged care places as early as next year. We will need to develop partnerships, synergies and possibly mergers with other community organisations to fill the gaps that exist in caring for our elderly.

We have met the Mayor and the CEO of the City of Port Phillip on a number of occasions, most recently to formally request that the South Port site continue to be operated by us for dementia and respite care for 30 residents for at least the 18 years remaining of our lease. An application has been lodged for 30 bed licences.

My sincere thanks go to my director colleagues for their foresight, wisdom and effort this year in making CaSPA Care the best it can be. I look forward to more of the same in years to come. Deputies Tony Hill and David Gorman provide me with good support and advice. Previously mentioned sub committee Chairs bring valuable skills to their work and Julie Prideaux and Liz Robson bring expertise in policy and nursing and a long history with our merged organisations.

Thanks to our many care staff, in whom we hold great trust. We acknowledge that your work is both difficult and risky but we hope there are also rewards in this very special area of care. It has been a time of great organisational change and it's not over yet! We hope you stay with us for the ride.

Despite a very difficult year for her in health terms, our Chief Executive Officer, Stephanie Clark, has been the big achiever. She enjoys the Board's respect and gratitude for a year of hard work, decision-making that was at times challenging, a vision for innovation and training and a passion for the highest standard of care for our residents.

Stephanie has now built a high functioning team of administrators and senior managers to support her work and take us through the next stage of our evolution.

A special thanks to Rebecca Housden for assisting our Chief Executive Officer and Board and to Sharon O'Neill who was warmly welcomed as CEO of South Port in the years leading up to the merger and has been effective in senior roles with CaSPA Care.

Thanks to our wonderful volunteers. Thirty seven volunteers

came into South Port and Claremont this last year, bringing the gift of their presence to our residents. They brought their dogs, their children, their entertainment, their skills and best of all, their affection.

Thank you to all our donors. We received almost 80 donations during the year; too many to name each individual donor, but I do want to acknowledge some. ECHO stands for Elderly Citizens Help Organisation and was started 40 years ago raising money for disadvantaged citizens from all walks of life. They run events and collect money and they send us cheques – 13 of them over the past year totaling over \$8,000. Thank you ECHO. More than 30 people responded to our appeal for a new bus and our wonderful supporters – the Lions Club - organised a lunch which raised \$2,000 and we had a lot of fun. Pat Brown generously donated \$5,000 and Michael Liffman continues to fund a \$5,000 scholarship for staff. Members added \$10 or \$100 to their subscription fee and they came to our Gala Dinner. These donations tell me our organisation is valued, supported and part of the community and that's how we like it.

Thank you all.

Lynette Allison
Chair

Treasurer's Report



The consolidated financial surplus for the 2013–2014 year is \$3,600,833 comprising \$600,833 of operating surplus and \$3,000,000 in non operating income being a City of Port Phillip council grant in relation to the 203 Napier Street building project.

The operating surplus is less than the previous financial year due principally to increased expenditure on employee benefits.

Both facilities managed by CaSPA Care returned a modest surplus whilst still providing excellent care and services to the residents.

The building project at 203 Napier Street remains on time and budget. CaSPA Care is in a solid position moving into the final stages of the project.

Richard Gates
Treasurer

Audit, Finance and Risk Sub Committee Report



The Audit, Finance and Risk Sub Committee has had another busy year as they took a lead role in the negotiations with banks around financing for the building project.

This was conducted July to October 2013 with a recommendation being made to CaSPA Care Board in November 2013. Following this process the sub committee has reviewed building and consultant costs on a monthly basis. It is very pleasing to note that the project is over \$500,000 ahead of budget and also ahead of schedule.

The sub committee also monitored and reviewed the monthly Profit and Loss statements, the annual financial audit and all areas of financial compliance and risk.

The sub committee consists of the following members:

Richard Gates

Tony Hill

David Gorman

Julie Prideaux

Stephanie Clark

Richard Roberts

Richard Gates

Chair – Audit, Finance and Risk Sub Committee

Clinical Governance Sub Committee Report



It's been a challenging but productive year for the Clinical Governance Sub Committee. Challenging because there were a number of changes in key clinical care staff at both South Port and Claremont over the year which makes it hard to maintain a stable caring and a quality living environment.

But it has been a good year with an enormous amount of hard work and all staff deserve credit for the excellent results achieved in the audits and other visits by the Accreditation Agency. Claremont was commended for having excellent systems and processes in place. All 44 outcomes were met and 3 years accreditation awarded.

Methods of reporting to the sub committee on Clinical Indicators and staff training were developed and refined. The clinical staff from each site together with the Director of Clinical Care share the task of reporting to the sub committee. These reports are supplemented by the attendance at sub committee meetings of additional expertise such as physiotherapy and pharmacy which has been very helpful.

A number of policies were drafted and submitted to the board on Infection Control, Outbreak Management, First Aid – resuscitation. Policies on Medication Management and Incident reporting were reviewed and a policy on Student Placement is being developed.

The sub committee reviewed its operations and sharpened its statement of purpose. Our role is to ensure:

- High standards of care for residents with respect to their physical, social, emotional and spiritual needs;
- Continual improvement in the quality of these services; and
- The maintenance of an environment in which excellence in the care of residents will flourish.

The sub committee met every month bar January. Board members Liz Robson and Beris Campbell continued on the sub committee with additional independent expertise contributed by Adair Bunnett and Annette Coy. We were sorry to farewell Annette in May who with her extensive nursing background had contributed significantly to the sub committee's deliberations.

Beris Campbell OAM

Chair – Clinical Governance Sub Committee

Communications and Fundraising Sub Committee Report



The Communications and Fundraising Sub Committee has had another busy year. We continued publishing the quarterly newsletter which helps inform residents, their families and friends and the local community of the activities of Claremont and South Port nursing homes and the progress of the new building in Napier Street.

One highlight, in May 2014, was the inaugural fundraising Gala "Ageing Disgracefully" at BayView on the Park. The evening's theme was in keeping with the "punk rocker" group, the Glen Goldies, who performed on the night. The group have been together for three years and their ages range from 73–90 years. Many thanks go to them, the fabulous MC "Dame Edna", and all those organisations and individuals who generously donated prizes for our raffle and silent auction on the evening. Thanks also to those who attended the evening. Great fun was had by all.

Another highlight was the Turning of the Sod in August 2013 at the new facility site with the Victorian Minister for Health, the Hon David Davis. Many Board members and CaSPA Care Members and staff were able to attend this significant event.

Heather Rendell joined the team as Fundraising and Marketing Manager and was able to prepare a fundraising plan and make applications for grants. Heather left us during the year to take up a highly sought-after course. We wish her well with her studies and thank her for all her hard work.

Huge thanks go to the Lions Club of Port Phillip, a long-time supporter of CaSPA Care, 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 amazing efforts, and in particular those of Communications and Fundraising Sub Committee Maureen Smith, they set a fundraising goal for \$50,000 in 2011 and have currently raised just over \$42,000.

Their club is quite small with only nine members. In 2013 they held a Bastille Day Lunch, sold Christmas cakes and held lots of sausage sizzles. You may have spotted them cooking sausages at Bunnings Port Melbourne!

Thanks also go to ECHO (Elderly Citizens Help Organisation) for their advice and funds raised through tin-rattling. Their efforts are much appreciated.

Many thanks go to all the sub committee members for all their hard work throughout the year, Lyn Allison, Stephanie Clark, Maureen Smith, Tony Hill, Pat Brown, Peter Manger and former member Henry Blatman.

Pat Brown stood down from the sub committee during the year, and can I thank her for her tireless service in helping older people in the local area over many, many years.

Many thanks also to Rebecca Housden who rigorously took the minutes throughout the year.

Heather Witham

Chair – Communications and Fundraising Sub Committee

Governance Sub Committee Report



As mentioned in last year's report this year the Governance Sub Committee has focused on working through the recommendations made by Russell Kennedy on the governance of CaSPA Care. We have had healthy discussions and made several recommendations to the board. New clauses in CaSPA Care's Constitution setting out procedures for removal of directors, should this be necessary, and recognising the Board Charter, both of which will be put to Members at the AGM.

Whilst the sub committee is very satisfied that we now have a robust governance structure, we will continue to work through the review during our bi-monthly meetings to continually improve corporate governance.

This year Adair Bunnett, and Eric Dyrenfurth resigned from the sub committee and we thank them for their service. We also recently welcomed two new members onto the sub committee: Damien Ferrie (CEO of Inner South Health) and Ian Gould who in a short time have made valuable contributions at our meetings.

I would like to thank other members of the sub committee namely Lyn Allison, Peter Penry-Williams, and Stephanie Clark (CEO) for their attendance at meetings and their deliberations and commitment to the good governance of CaSPA Care. Finally, a thank you to Rebecca Housden (PA to CEO) for her good work with agendas and minutes.

Henry Blatman

Chair – Governance Sub Committee

Chief Executive Officer's Report



It is always good when preparing our annual report to reflect on all we have achieved in the preceding 12 months. Sometimes we become so caught up and focused on the day to day that we lose sight of our achievements.

There have been a number of challenges over the past year in particular the government's Aged Care reform agenda.

Reforms commenced in the 2012-2013 year with the introduction of new Home Care packages which were based on a consumer directed care model.

These reforms impacted on residential aged care in a number of ways. From mid May 13 all residential care facilities were required to describe and list prices for individual rooms within facilities on the government website – My Aged Care. This was a complex exercise given the differing structure at each site. Maximum prices are required to be listed however a lower price may be negotiated on an individual basis.

Further impact will be felt in the 2014-2015 year with the removal of the low/high care classification and a changing payment structure.

To deal with these changes and to ensure CaSPA Care is prepared for the move to 203 Napier Street and our significant increase in size the organisational structure will be reviewed in the coming year.

Over the past year we have also been researching our new model of care – the Household Model. 203 Napier Street will be based on small 'households' of residents who will make decisions relevant to their needs and choices. The staff will be adjusted to be dedicated to a household so they get to know residents and their families extremely well and in fact become part of an extended family.

The coming year will see a lot of discussion with residents, families and staff around this model of care and how it will be developed.

Both South Port and Claremont Home have continued to perform very well.

At South Port we welcomed a new Care and Services Manager, Heather Rota. Heather came to us from Mercy Aged Care, East Melbourne and has very quickly got to know our residents and staff. Heather is undertaking her Masters of Advanced Nursing (Nurse Practitioner) which will be of great benefit to the organisation in the future.

South Port occupancy remained reasonably constant throughout the year at an average of 76.6%. This is a strong performance given the age and configuration of the building. South Port underwent an Accreditation Agency audit during the year at which time they were found to be fully compliant in all outcomes.

Claremont Home has also performed well with an average occupancy of 94%. Care and Services Manager Nisah Maideen has worked hard throughout the year to ensure all residents are well cared for and that the staff feel supported.

Claremont Home also had an Accreditation Agency audit and were compliant in all outcomes.

Our Staff

CaSPA Care remains committed to the support and upskilling of all our staff. We have implemented an online training system which staff have found extremely useful. Over 600 hours of paid training was carried out in 2013–2014.

A number of awards were made to staff last year:

South Port

Team Work Award	Martina Oseghale
Encouragement Award	Karishma Karishma
Leadership Award	Gary Lapsley and John Gasparotto
Resident Award	Tommy Veselinovich

Claremont Home

Marie Fitzpatrick Award (Leadership)	Siomara Gaviria
Bruce Leahey Award (Encouragement)	Merima Mujkanovic
Mary Kehoe Award (Resident)	Jenny Spence
Harold Alexander Award (Teamwork)	Linda Strick

Going forward our awards will be CaSPA Care awards in the categories of Leadership, Encouragement, Teamwork and Resident Choice. The name of the individual awards however will be as listed above under Claremont Home.

I am also very pleased to advise that Michael Liffman has agreed to support a scholarship for the 2013–2014 year in memory of his mother Doris Liffman. I would like to thank Michael and the Liffman family for their ongoing support of our staff at CaSPA Care by providing this scholarship.

CaSPA care staff will be able to apply for the scholarship to assist with further studies which will be of benefit to both residents and the individual.

The following staff also reached significant milestones during the year:

Linda Pompei	20 Years
Monica Fletcher	10 Years
Jane Van Der Haak	10 Years

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

203 Napier Street

We have had an extremely busy year tendering and then finalising the bank financing for the project. This was a significant exercise. The successful tender was won by Bank of Melbourne with the loan facility taking effect in the 2014–2015 year.

A construction contract with Buxton Construction was signed by the CaSPA Care Board in November 2013.

Buxton Construction commenced work on site in November 2013 with preparation of the site. This was an extensive process given the soil contamination issues and the need to preserve heritage buildings on site.

Excavation for the basement car park also commenced in November 2013. From January 2014 we have watched our building take shape. Buxton Construction have been doing an outstanding job and I am pleased to report that we are ahead on both budget and schedule. The coming year will see the completion and fit out of the building which will be a wonderful resource for our community.

We formalised the agreement with the City of Port Phillip with regard to their \$3 million grant towards the project and I would like to acknowledge and thank the city and the councillors for their foresight and generosity in making this valuable grant.

CaSPA Care Members

It is pleasing to report that our membership base continues to grow as members are an essential part of a community organisation. We will be holding Member's events throughout the coming year which will include speakers on topics of interest.

A Gala fundraising dinner dance was held in May and was greatly enjoyed by all who attended.

CaSPA Care Board and Sub Committees

The CaSPA Care Board have continued to be diligent in their stewardship of the organisation. As community members they give of their time and expertise in attending monthly Board meetings as well as participating in at least one Board sub committee. The Board carries out an annual evaluation which forms the basis for further education and/or information sessions.

The Board sub committees also routinely meet on a monthly basis and contain both Board and external community members who also volunteer their time and expertise.

I would like to thank them for their time and commitment to CaSPA Care as they are a valuable resource for the Board.

Volunteers

Volunteers are an essential part of any community organisation and we are fortunate to have a growing number of them. They provide many services to our residents from computer training sessions, pet therapy, book clubs and walking groups to name a few.

Our volunteers give so generously of their time and I would like to thank them very much for their continued contribution to CaSPA Care.

In particular I would like to acknowledge Maureen Smith and the Port Phillip Lions Club for their ongoing fundraising efforts.

In closing I would like to thank the senior management team at CaSPA Care for their continued support throughout the year. They have all worked very hard to ensure we continue to provide an excellent service to our residents and families.

Thank you to Rebecca Housden, who has been a tremendous support throughout the year.

I would also like to thank Chairperson Lyn Allison, the Board of Directors for their guidance through the year. Their support and encouragement has been greatly appreciated.



Stephanie Clark
Chief Executive Officer



Claremont Home Facility Report

Claremont Home has had another successful and happy year throughout 2013–2014.

In May 2014 Claremont Home had a two day site accreditation audit which was conducted by the Aged Care Standards and Accreditation agency. The audit was extremely positive with Claremont Home achieving compliance in all 44 outcomes.

Thank you to all the staff and residents involved in this process.

Staff Training continued as a focus throughout the year with staff enjoying the new online training. This allows staff to attend the training when convenient for both themselves and the organisation.

Throughout the year we also finalised the refurbishment of the home with new curtains and blinds in all rooms.

Our volunteer program continues to grow with a number of programs being offered with this support group. We are very grateful for all our volunteers as they certainly enhance resident's lives.

Thank you to all our staff – care, cleaning, catering, laundry, lifestyle and maintenance staff members who are committed and loyal and who work hard for the residents and the organisation.

Claremont Home Financial Report

CaSPA Care – Claremont Home is a community based not-for-profit ageing in place facility.

During the year CaSPA Care Finance Department ensured all legislative requirements were met and appropriate compliance statements issued.

CaSPA Care – Claremont Home recorded an average occupancy of 94% throughout the 2013–2014 year. This is consistent with the previous financial year and has resulted in a surplus of \$474,000 for the financial year.

Total income recorded an 8% increase overall on previous year.

Revenue from the Commonwealth Department of Health and Ageing was 76% of income which was a small increase over previous year.

Expenses were 82% of income which was a 1.5% decrease over the previous year.

Overall a modest surplus was achieved which was 17% increase over the previous year.

Well done to the CaSPA Care – Claremont Home team.



South Port Facility Report

South Port had another good year and despite fluctuations, maintained an average occupancy of 76.6%. An extensive refurbishment program was carried out during the year including new flooring, both external and internal painting and the creation of a Palliative Care room and a Sensory room. The central bathrooms also had a limited makeover. Towards the end of the year a quiet library area and lounge was created in the former administration section of the facility. This is a lovely, reflective space which is enjoyed by the residents.

Staff training has been enhanced by the introduction of online training. This has allowed staff to attend training when convenient for both themselves and the organisation.

Our volunteers have continued to complement the care and services provided. They are always warmly received by the residents and we are grateful for their time and commitment.

I would like to take this opportunity to thank all the staff – care, cleaning, laundry, catering, lifestyle and maintenance staff members who have worked so hard throughout this past year.

South Port Financial Report

CaSPA Care – South Port is a community based not-for-profit facility.

As reported in the previous financial year South Port continues to struggle with fluctuating occupancy due to the site configuration.

The average occupancy for the 2013–2014 year was 76.6%, a decrease of 8.4% on the previous year. During the first half of the financial year occupancy was consistently under budget which triggered a review of the roster. Occupancy gradually improved during the second half of the 2013–2014 year.

For the financial year South Port made a modest surplus of \$539,000 which was a decrease on the previous year. However given the period of low occupancy this was a great result and well done to the South Port team.

Total income recorded a 7% decrease over the previous year.

Revenue from the Commonwealth Department of Health and Ageing was 75% of income which was consistent with previous year.

Expenses were 87.5% of income which is an increase over the previous financial year. However with improved occupancy and better management of expenses this should reflect positively in the coming year. Overall a modest surplus was achieved.

203 Napier Street Progress

Jul 2013

Demolition permit issued

Sep 2013

Demolition complete

Nov 2013

Basement car park excavated

Jan 2014



Mar 2014

May 2014

Jul 2014

Concrete slab
floor poured

Third floor slab
poured in three stages





CaSPA Gala

CaSPA Care hosted its first Gala event on Friday 16th May 2014. The fundraising dinner was a lot of fun attracting over 150 attendees. 'Dame Edna' was the MC for the night and we were also entertained by the Glen Goldies, a group from a retirement village in Ferntree Gully. It was a great night and a great fundraising effort.

Board of Directors Report

General Purpose Financial Report for the Year Ended 30 June 2014

Your board members submit the General Purpose Financial Report of the Claremont & South Port Aged Care Limited for the financial year ended 30 June 2014.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards and the Corporations Act 2001.

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 the previous Federal Government on its reforms for the sector.
- South Port Community Residential Home Committee of Management Member since 2008.

Special Responsibilities:

President, Vice Chair Governance Sub Committee

Information on Directors



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

Board of Directors Report

Information on Directors



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



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 Government Relations Advisor 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, 12 meetings of directors were held. Attendances by each director were as follows:

Meeting Attendances		
Name	Meetings Held	Meetings Attended
Lynette Allison	12	11
Henry Blatman	12	9
Beris Campbell	12	10
Richard Gates	12	7
David Gorman	12	11
Antony Hill	12	9
Anita Horvath	2	2
Julie Prideaux	12	9
Elizabeth Robson	12	12
Heather Witham	12	10

Objectives

The short-term and long – term objectives of the company is to provide permanent and respite accommodation and associated services to elderly citizens generally assessed as requiring high and low care.

Strategy for Achieving the objectives

The Company's strategy for achieving these objectives includes:

- To continue to provide high quality professional development and training programs to staff relevant to the aged care sector;
- To continue to provide care to the elderly citizens under high or low care as required.

Principal Activities

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

Performance Measures

The Company measures performance through the use of both quantitative and qualitative measures. These are used by the Board and Management to assess whether the Company 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 company that occurred during the financial year.

Events Subsequent to Reporting Period

Subsequent to year end management have become aware of a potential issue with funding that has been received. This issue is being investigated to determine whether any over payments have been received. At the time of signing the financial statements potential liabilities were not able to be quantified with any reliability.

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 company, to affect significantly the operations of the company, the results of those operations, or the state of affairs of the company, in future financial years.

Indemnification of Officers and Auditors

Since the end of the previous financial year, the company 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 company.

Operating Result

The surplus amounted to \$3,600,833 (2013 surplus \$1,026,560).

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page and forms part of this Board of Management report.

Signed in accordance with a resolution of the Members of the Board, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors:



President



Treasurer

Dated: 13th October 2014



Auditor Independence Declaration under S307C of the *Corporations Act 2001* to the Directors of Claremont & South Port Aged Care Limited.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 there have been no contraventions of:

- 1) The auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- 2) Any applicable code of professional conduct in relation to the audit.

CROWE HORWATH MELBOURNE

A handwritten signature in black ink that reads "Anne Lockwood".

Anne Lockwood

Partner

Melbourne Victoria

Dated: 13th October 2014

Claremont & South Port Aged Care Limited

ABN: 53 142 425 527

Statement by Members of the Board

In the opinion of the Board the general purpose financial report as set out on pages 18 to 31:

1. the attached financial statements and notes thereto comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. the attached financial statements and notes thereto give a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the financial year ended on that date; and
3. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



President



Treasurer

Dated: 13th October 2014

Statement of Profit or Loss and other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
Operating income			
Revenue		9,165,052	9,024,250
Other income		-	70,792
Total operating income	2	9,165,052	9,095,042
Residential services		(1,143,978)	(1,236,095)
Depreciation and amortisation expenses		(486,723)	(466,059)
Employee benefits expenses		(6,166,950)	(5,685,580)
Other expenses		(766,568)	(680,748)
Operating surplus for the year		600,833	1,026,560
Non-operating income			
Council Contribution		3,000,000	-
Total Non-Operating income		3,000,000	-
Surplus for the year before income tax expense		3,600,833	1,026,560
Income tax expense	1(b)	-	-
Surplus after income tax expense for the year attributable to the members of the entity		3,600,833	1,026,560
Total comprehensive income for the year		3,600,833	1,026,560
Total comprehensive income attributable to members of the entity.		3,600,833	1,026,560

The accompanying notes form part of these financial statements.

Statement of Financial Position

AS AT 30 JUNE 2014

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	8,278,633	10,928,263
Trade and other receivables	5	119,697	158,859
Other current assets	6	133,922	116,055
TOTAL CURRENT ASSETS		8,532,252	11,203,177
NON-CURRENT ASSETS			
Property, plant and equipment	7	8,051,228	8,121,045
Project developments	8	9,185,863	1,111,407
TOTAL NON-CURRENT ASSETS		17,237,091	9,232,452
TOTAL ASSETS		25,769,343	20,435,629
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	9	1,954,738	396,894
Other current liabilities	10	4,204,137	4,043,751
Provisions	11	330,307	375,508
TOTAL CURRENT LIABILITIES		6,489,181	4,815,979
NON-CURRENT LIABILITIES			
Provisions	11	183,443	123,591
TOTAL NON-CURRENT LIABILITIES		183,443	123,591
TOTAL LIABILITIES		6,672,624	4,939,744
NET ASSETS		19,096,719	15,495,885
EQUITY			
Reserves		3,654,147	3,654,147
Retained Earnings		15,442,572	11,841,738
TOTAL EQUITY		19,096,719	15,495,885

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2014

	Retained Earnings \$	Reserves \$	Total \$
Balance at 1 July 2012	9,313,071	5,156,254	14,469,325
Surplus after income tax expense for the year attributable to members	1,026,560	-	1,026,560
Capital Reserves Reallocation	1,502,107	(1,502,107)	-
Other comprehensive income for the year, net of tax	-	-	-
Balance at 30 June 2013	11,841,738	3,654,147	15,495,885
Surplus after income tax expense for the year attributable to members	3,600,833	-	3,600,833
Other comprehensive income for the year, net of tax	-	-	-
Balance at 30 June 2014	15,442,572	3,654,147	19,096,719

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Commonwealth Department of Health		6,461,989	6,439,193
Council contribution		3,000,000	-
Receipts From Residents		2,074,731	2,022,819
Interest and Dividends Received		384,786	432,792
Other Income		243,545	78,184
Payments to Suppliers and Employees		(6,323,499)	(7,285,953)
Net Cash Provided By Operating Activities	12	5,841,552	1,687,035
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of Property, Plant and Equipment		(416,906)	(103,952)
Payment for project development costs		(8,074,276)	(670,832)
Net movement in investments		-	1,899,937
Net Cash (Used in)/Provided By Investing Activities		(8,491,182)	1,125,153
Net (Decrease) /Increase in Cash Held		(2,649,630)	2,812,188
Cash and Cash Equivalents at Beginning of Year		10,928,263	8,116,075
Cash at End of Financial Year	4	8,278,633	10,928,263

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

General information

The financial statements cover Claremont & South Port Aged Care Limited and its controlled entity South Port Community Residential Home Inc.. The financial statements are presented in Australian dollars, which is Claremont & South Port Aged Care Limited's functional and presentation currency.

Claremont & South Port Aged Care Limited is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors. The directors have the power to amend and reissue the financial statements.

Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The company 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.

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

Any significant impact on the accounting policies of the company from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations have been adopted by the company in 2014:

AASB 1053 Application of Tiers of Australian Accounting Standards

The company has applied AASB 1053 from 1 July 2013. This standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements, being Tier 1 Australian Accounting Standards and Tier 2 Australian Accounting Standards - Reduced Disclosure Requirements. The company being classed as Tier 2 continues to apply the full recognition and measurements requirements of Australian Accounting Standards with substantially reduced disclosure in accordance with AASB 2010-2 and later amending Standards, as relevant.

AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The company has applied AASB 2010-2 from 1 July 2013. These amendments make numerous modifications to a range of Australian Accounting Standards and Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities in preparing general purpose financial statements. The adoption of these amendments has significantly reduced the company's disclosure requirements.

AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements, AASB 2012-7 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements and AASB 2012-11 Amendments to Australian Accounting Standards - Reduced Disclosure Requirements and Other Amendments. The company has applied AASB 2011-2, AASB 2012-7 and 2012-11 amendments from 1 July 2013, to the extent that they related to other standards already adopted by the company. These amendments make numerous modifications to a range of Australian Accounting Standards and Interpretations to significantly reduce the company's disclosure requirements.

AASB 13 Fair Value Measurement – a new standard was issued in September 2011 and is mandatory for annual reporting periods beginning on or after 1 January 2013. It defines fair value, and sets out in a singled standard a framework for measuring fair value. AASB 13 requires inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy. It also requires enhanced disclosures regarding all assets and liabilities. When this standard was first adopted on 1 July 2013, additional disclosures have been required about fair values.

AASB 119 Employee Benefits – this standard was re-issued in September 2012 and is mandatory for annual reporting periods beginning on or after 1 January 2013. The standard introduces a number of changes to the accounting and presentation of defined benefits plans. It also changes the definition of short-term and other long-term employee benefits to clarify the distinction between the two. Employee benefits expected to be settled (as opposed to due to settled under current standard) within 12 months after the end of the reporting period are short-term benefits, and therefore not discounted when calculating leave liabilities. Annual leave not expected to be used within 12 months of end of reporting period is to be discounted when calculating leave liability. There was no material effect from this standard when it was first adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), Victorian legislation the Fundraising Appeals Act 1998 and associated regulations and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

The financial statements, except for the cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

a. Revenue

Grants:

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity 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 entity 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 state 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 & 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 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.

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.

b. Income tax

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

c. Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is 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 twelve 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 twelve months after the reporting period. All other assets are classified as non-current.

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

d. Consolidated Financial Statements

The consolidated financial statements and notes represent those of Claremont & South Port Aged Care Limited and controlled entities (the "consolidated group" or "group").

The separate financial statements of the parent entity, Claremont & South Port Aged Care Limited, have not been presented within this financial report as permitted by amendments made to the Corporations Act 2001 effective from 28 June 2011.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

Special purpose entities are those entities over which the Group has no ownership interest but in effect the substance of the relationship is such that the Group controls the entity so as to obtain the majority of benefits from its operation.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends have been eliminated in full.

Subsidiaries and special purpose entities are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

e. 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.

Freehold property

Freehold land and buildings are shown at their fair value based on either valuations by external independent valuers or directors' valuations.

The last independent valuation was performed in 2013 whereby the freehold land and buildings were reflected at fair value less subsequent depreciation for buildings. Refer to note 1(n) for details of fair value.

In periods when the freehold land and buildings have not been subject to an independent valuation, the directors have conducted directors' valuations 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 surplus 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 surplus. 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

e. Property, Plant and Equipment

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 & Fittings	10% – 25%
Plant and equipment	20% – 60%

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.

f. 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.

g. Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

h. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period.

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

i. 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 statement of financial position.

j. 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 statement of financial position.

Cash flows are presented on a gross basis in the 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.

k. Income Tax

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

I. Comparative Figures

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

m. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company 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.

n. 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.

o. Economic Dependence

Claremont & 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 & South Port Aged Care Limited.

p. Critical Accounting Estimates and Judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the 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 \$8 million, representing the estimate of fair value at balance date. The property represents a high proportion of the total assets of the entity.

Fair value has been determined by an independent external valuation of the property at 28th June 2013 on the basis detailed in Note 7 Property Plant and Equipment. Management has assessed the value of the property at 30 June 2014, taking into account factors and market conditions evident at reporting date. Changes in market conditions in the future may impact the fair value in the future.

Estimation of useful lives of assets

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

Impairment of non-financial assets

The company assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the company 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, 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
NOTE 2: REVENUE		
Operating Revenue		
Operating Revenue from Department of Health	6,461,989	6,439,193
Resident Fees	2,074,731	2,066,749
Donations	-	15,301
Interest & Dividend Received	384,786	432,792
Rent	66,039	64,984
Gain on Disposal of Assets	-	70,792
Sundry Income	177,506	5,231
	9,165,052	9,095,042
NOTE 3: EXPENSES		
Residential Services		
Cleaning & Housekeeping Supplies	72,819	140,282
Crockery & Cutlery	5,093	5,790
Dietary	295,829	303,388
Excursion & Activities	26,736	25,180
Linen Service	72,705	59,544
Physiotherapist & Other Consultant	237,240	256,331
Resident Expenses & Medical Supplies	200,323	210,042
Rubbish Removal	30,938	28,594
Security	14,650	13,373
Bus Expenses	4,307	3,558
Sundries	24,805	34,667
Utilities & Services	158,532	155,346
Total Residential Services	1,143,978	1,236,095
Staff Expenses		
Wages & Salaries	5,464,852	5,033,036
Superannuation	446,232	423,894
Workcover	159,579	168,173
Staff Training	23,856	38,823
Other Employee Expenses	72,431	21,654
Total Staff Expenses	6,166,950	5,685,580
Depreciation		
Equipment	74,692	132,224
Buildings	315,156	302,763
Furniture and Fittings	96,875	31,071
Total Depreciation	486,723	466,058

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
NOTE 4: CASH AND CASH EQUIVALENTS		
Total Cash at Bank	8,278,633	10,928,263
	8,278,633	10,928,263
<i>Reconciliation of cash</i>		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and cash equivalents	8,278,633	10,928,263
NOTE 5: TRADE AND OTHER RECEIVABLES		
Trade Receivables	22,955	48,972
Formation Expenses	-	-
Prepayments	97,158	119,833
Commonwealth Funding Clearing Account	13,445	-
Undeposit Funds	(13,860)	(9,946)
Deposit Paid	-	-
	119,697	158,859
NOTE 6: OTHER CURRENT ASSETS		
Current		
Input Tax Credits	133,922	99,717
GST Payable	-	-
Franking credit refund	-	16,338
	133,922	116,055

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
NOTE 7: PROPERTY, PLANT AND EQUIPMENT		
<i>Land and Buildings</i>		
Land at fair value ¹ - Albert Road COM Valuation	2,600,000	2,600,000
Property Improvements	991,762	583,642
Buildings at fair value	5,400,000	5,400,000
Less: Accumulated Depreciation	(1,536,046)	(1,080,001)
	3,863,954	4,319,999
Total Land and Buildings	7,455,716	7,503,641
Plant & Equipment	684,905	615,211
Less: Accumulated Depreciation	(580,631)	(516,185)
	104,274	99,026
Computer Equipment & Software	51,458	40,933
Less: Accumulated Depreciation	(18,517)	(8,270)
	32,941	32,663
Furniture & Fittings	1,590,179	1,520,723
Less: Accumulated Depreciation	(1,131,883)	(1,035,008)
	458,296	485,715
Total Plant and Equipment	595,511	617,404
Total Property, Plant and Equipment	8,051,227	8,121,045

¹ A formal valuation was undertaken by Nelson Partners on the property 286-294 Albert Road South Melbourne on 28th June 2013. The value of \$8million has been determined on the basis of:

- Vacant possession assuming transfer of business and residents to the new Napier Street site.
- "Going concern", "as is" value on the operation of Claremont House fully funded and incorporating accommodation bond profile.

The next property valuation will be obtained at 30 June 2015.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Cost or fair value	Freehold land \$	Buildings \$	Plant and Equipment \$	Total \$
Balance at 30 June 2012	2,600,000	6,124,531	1,977,966	10,702,497
Additions	-	-	109,686	109,686
Other	-	-	89,216	89,216
Balance at 30 June 2013	2,600,000	6,124,531	2,176,868	10,901,399
Additions	-	267,232	149,675	416,906
Balance at 30 June 2014	2,600,000	6,391,762	2,326,543	11,318,305
Accumulated depreciation				
Balance at 30 June 2012	-	887,057	1,332,290	2,219,347
Depreciation	-	333,833	130,939	464,772
Other	-	-	96,235	96,235
Balance at 30 June 2013	-	1,220,890	1,559,464	2,780,354
Depreciation	-	315,156	171,568	486,723
Balance at 30 June 2014	-	1,536,046	1,731,031	3,267,077
Total Assets at 30 June 2013	2,600,000	4,903,641	617,404	8,121,045
Total Assets at 30 June 2014	2,600,000	4,855,716	595,511	8,051,228

NOTE 8: PROJECT DEVELOPMENT

Work in Progress relates to the new 146 bed facility being built at 203 Napier Street, South Melbourne. Construction is progressing well and the project is due to be completed in June 2015. Total spending on the project to date is \$9,185,863.

	2014 \$	2013 \$
NOTE 9: TRADE AND OTHER PAYABLES		
Current		
Accruals	1,801,272	105,300
Trade Payables	146,417	291,594
Provision for Impairment of receivables	7,059	-
	1,954,748	396,894

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
NOTE 10: OTHER CURRENT LIABILITIES		
PAYG Tax Payable	51,486	150,605
Payroll Accruals	110,876	26,775
Payroll Deductions Payable	495	-
Resident Bonds	4,041,280	3,866,371
Total Other Current Liabilities	4,204,137	4,043,751

NOTE 11: EMPLOYEE PROVISIONS

Opening Balance as 1 July 2013	499,099
Additional provisions raised during year	152,554
Amounts used	(137,902)
Balance at 30 June 2014	513,751

	Note	2014 \$	2013 \$
Analysis of Total Provisions			
<i>Current</i>			
– Annual leave entitlements	11a	309,925	287,183
– Long service leave entitlements (10%)		20,383	88,325
Total current employee provisions		330,308	375,508
<i>Non-current</i>			
– Long service leave entitlements (90%)		183,443	123,591
		513,751	499,099

11a – In accordance with AASB 119 Employee benefits, employee benefits 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
NOTE 12: CASH FLOW INFORMATION		
Operating Surplus	3,600,833	1,026,560
<i>Non-cash Flows in Operating Surplus</i>		
Depreciation	486,543	466,058
Gain on Disposal of Investments	-	(70,792)
<i>Changes In Assets and Liabilities</i>		
Increase in Trade Payables & Accruals	1,557,844	72,633
Decrease in Receivables and Prepayments	39,162	(43,930)
Increase in Other Assets	(17,867)	(7,332)
Increase in Other Liabilities	160,386	190,784
Increase in Provisions	14,651	53,054
Net Cash Provided By Operating Activities	5,841,552	1,687,035

NOTE 13: KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation

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

Name	Position Held	Responsibility Period
Stephanie Clark	Chief Executive Officer	01/07/13 – 30/06/14
Sharon O'Neill	Chief Operating Officer	01/07/13 – 30/06/14
Leslie Sholakis	Chief Financial Officer	01/07/13 - 09/05/14

	2014 \$	2013 \$
Short-term benefits	434,613	360,897
Post-employment benefits (superannuation)	40,570	35,876
Aggregate compensation	475,183	396,773

NOTE 14: CONTINGENT LIABILITIES

The company had no contingent liabilities as at 30 June 2014 and 30 June 2013.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 15: COMMITMENTS

The company is committed to build the new 146 bed facility at 203 Napier Street, South Melbourne. Construction started in October 2013 and is on track to complete in June 2015. The estimated expenditure to come is \$20,000,000. There is bank facility in place to ensure that this commitment can be met by the company.

NOTE 16: 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 17: SEGMENT REPORTING

The approved provider, Claremont & South Port Aged Care Limited, delivers only residential aged care services and this General Purpose Financial Report therefore relates only to such operations.

NOTE 18: EVENTS AFTER REPORTING DATE

Subsequent to year end management have become aware of a potential issue with funding that has been received. This issue is being investigated to determine whether any over payments have been received. At the time of signing the financial statements potential liabilities were not able to be quantified with any reliability.

Apart from the issue detailed above, no other material events occurred after the reporting date, which would impact on the financial statements at 30 June 2014.

NOTE 19: COMPANY DETAILS

The registered office of the company 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.

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

Report on the financial report

We have audited the accompanying financial report of Claremont and South Port Aged Care Limited, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and 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 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 *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of a 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 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 about 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 financial report. The procedures selected depend on the auditor's judgement, 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 financial report.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Claremont and South Port Aged Care Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Basis for Qualified Opinion

Claremont and South Port Aged Care Limited values its land and buildings at fair value. As disclosed in Note 8 the property at 286-294 Albert Road South Melbourne has been valued by Nelson Partners on 28th June 2013. The properties have been valued on a going concern basis and are carried at \$8,000,000 on the entity's statement of financial position at 30 June 2014. We are not able to obtain sufficient and appropriate audit evidence to confirm that the value of the property has been determined in accordance with AASB 13 *Fair value measurement* which requires an assessment of highest and best use for the property which may not be going concern basis.

Consequently, we were unable to determine whether any adjustment would be required for this property.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualification paragraph, the financial report of Claremont and South Port Aged Care Limited is in accordance with the Corporations Act 2001 including:

- a) giving a true and fair view of the entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards - *Reduced Disclosure Requirements*.

CROWE HORWATH MELBOURNE



Anne Lockwood

Partner

Melbourne Victoria

Date: 19 October 2014



CaSPACare

Living well. Living locally.

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