



# ANNUAL REPORT

## 2016-17





# MISSION STATEMENT

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## VISION

*To be a leader in sustainable solutions for aged and primary healthcare in regional communities.*

## MISSION

*Caring for our communities through innovative quality health and wellbeing programs that are financially viable and meet the community's needs.*

## VALUES

Compassion

*Respect*

*Accountability*

*Honesty*

*Enjoyment*

*Inclusion*





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## CHAIRMAN'S REPORT

It is my pleasure to present the 2016-2017 Annual Report on behalf of the Board of Honeysuckle Regional Health.

This has been a year of fine tuning our income stream, a process that never ends. This process has been conducted by our CEO, Barry Hobbs and his key personnel. We would sincerely like to thank them for their efforts.

Progress in this area is never rapid, but little by little we continue to gain ground. Our 20 funded Aged Care beds at Bentley Campus in Bendigo are fully utilised with a waiting list of prospective clients. We are continuing to apply for more funded beds to satisfy this need.

Bentley's Facility Manager, Wendy Rogasch, continues to be relentless in her pursuit of these beds and, indeed, anything to do with the improvement of Bentley's as an Aged Care Facility.

The Board would like to thank Wendy and her Staff for their continued dedication.

Management of the Wetlands has been taken on by Faye Whitewood, assisted by Lynden Biddle and anyone else conned into helping, this includes Barry. I think, we would all agree, we are starting to see the potential emerging.

The Violet Town Community has once again, been a wonderful support to their Facility. We are extremely grateful to everyone, the Friends of VTBNC, the Jean Miller Foundation, the Violet Town Op-shop, Violet Town and Dookie Lions, Violet Town Hotel, VTAG, Benalla Soroptimists Club and a number of private donations.

It is also important to acknowledge the many volunteers and staff at both campuses, their contributions are greatly appreciated, thank you.

Following our last AGM, the Board co-opted Mr Linden Biddle to join us. He has been a valuable contributor and now has to be formally elected.

Our fortunes continue to improve and we look forward to 2017/2018 with optimism.

John Hawkes  
CHAIRMAN

## CEO REPORT

As CEO at Honeysuckle Regional Health I am so proud to be overseeing staff who are dedicated, caring and working in an industry that can be quite confronting, challenging and sometimes a little bit thankless. Staff continue to rise to the challenge working in a highly regulated environment with the goal posts continually moving. We are extremely blessed to have high calibre people in management roles who can work with these changes and then educate staff to embrace change. Although we do not always agree with what the bureaucrats serve us this is the rule book and we have to work within it. We all have bad days and at times you come to the end of your tether then you receive a note like this:

*Thank so much for giving dad a permanent spot, he is so happy there and we are so happy with your staff, their loving care and your services. He could not be in a better place.*

This is why we are here to do our utmost to provide quality care to our cherished residents at the most frailest and vulnerable period of their lives.

We are so lucky to have our volunteer Brigades who sometimes might be older than our residents. These wonderful people, so generous with their time, help normalise the lifestyle for our residents, whether it be reading a book, a walk in the park or just holding a hand. We are also envied at Bentleys with our in house Chaplain. This is a luxury that adds greatly to the health and spiritual lives of our residents. The help given by volunteers is immeasurable so please accept our heartfelt thanks. We also have been fortunate to receive donations from individuals, groups and foundations. These generous donations have made it possible to provide special equipment and staff training outside our normal budget. We maintain complete transparency with donations and supply acquittals.

Our facility in Bendigo, is now holding its own financially and will continue to prosper. We did not receive an allocation of beds in the latest Aged Care Allocation Round but will continue to apply and achieve our aim of a Fully Fund Aged Care Facility. Bentleys has been visited by the Friends of VTBNC this year and it was pleasing to hear their compliments on what is a beautiful facility. Bentleys is superbly managed by Wendy Rogasch who is exceptionally passionate about the reputation and future of the facility. We have recently completed Installation of Solar Panels at Bentleys which was commissioned on 25th July 2017. This is another measure to ensure our long term financial viability.

The rationalisation of our staff is now behind us and we are now aligning care staff as required according to the varied and ever changing needs of our residents. Ageing in place has changed the arena somewhat and we are tending to admit residents with more complex requirements. This means our care staff levels have to be quite dynamic. Care staff have been flexible in this regard and our use of Agency Staff has reduced dramatically. Our Violet Town Facility Manager, Arun Bhasi, has been instrumental throughout these changes adapting to change and picking up new roles and responsibilities. Both Facility Managers have been active in ensuring we have optimised our Government funding which we have increased substantially over the past 12 months.

Finally I would like to thank the Friends of VTBNC for their tireless fundraising, all staff of Honeysuckle Regional Health and the Board of Management for their continued support and for giving me this wonderful opportunity.

Barry Hobbs  
CEO

# **VIOLET TOWN BUSH NURSING CENTRE BOARD OF MANAGEMENT**

## **CHAIRMAN**

John Hawkes

## **VICE CHAIRMAN**

Nick Parmer

## **JUNIOR VICE CHAIR**

Faye Whitewood

## **BOARD MEMBER**

Irene Gilliland

Kerry Garrett

David Staff - 14/11/2016

Linden Biddle - Co-opted 31/1/2017

Howard Myers - Resigned 14/11/2016

John Dunn - Resigned 14/11/2016

## **MEETING SECRETARY**

Ann Byrnes

## **CEO**

Barry Hobbs

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## **ACKNOWLEDGE DONATIONS**

The Board of Management gratefully recognises and thanks the individuals and organisations who have supported the Centre with generous donations throughout the year.

The Miller Foundataion

Dookie Lions Club

Friends of Violet Town Bush Nursing Centre

Violet Town Op Shop

Soroptimist Interational Benalla

Violet Town Action Group - Pat Glynn Memorial

A significant anonymous donation

And Support from various other donors and our band of volunteers

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## **LIFE MEMBERS**

Mrs. Joyce Bryce

Mr. Warwick Paton

Mrs. Meryl McDiarmid

Mr. John Hawkes

## **QUALITY CO-ORDINATOR - BOARD OF MANAGEMENT ANNUAL GENERAL MEETING REPORT 2016-2017**

2016-2017 has seen Honeysuckle Regional Health go from strength to strength across both campuses in meeting accreditation standards in both unannounced and planned audit contacts from the Australian Aged Care Quality Agency. It was an honour to be able to support Wendy and her team at Bentleys Aged Care achieve three years full accreditation, and to assist Arun in a desk assessment contact and a planned audit contact in which all standards were met. Violet Town campus continues to work towards a planned reaccreditation audit in 2018.

### **Continuous Improvement:**

#### **Education**

Compulsory education governed by regularity compliance continues to be provided through Victorian Regional Health Services ELearning Network (ReHseN) with practical assessment on site when required. ReHseN also provides a portal for education that all staff can access to improve their knowledge and skills base. Staff have access to other free eLearning portals provide by State and Federal Government, universities and health related services. Toolbox education sessions are provided on site to introduce staff to new policies and processes to ensure compliance across campuses.

Honeysuckle Regional Health has provided the opportunity for staff to attend study days, seminars and conferences throughout the year allowing for implementation of best practice and validation of policies and processes in place.

#### **Continuous Quality Improvement Plan (CQI)**

Compliance audits, meeting minutes, adverse events, staff incidents, facility feedback and staff appraisals generate the CQI plan which enables Honeysuckle Regional Health to review and generate policies and processes, review and implement training opportunities, purchase new equipment, review staffing levels and staff mix, enabling staff to continue to provide the high quality of care that Honeysuckle Regional Health residents and their families receive. Staff at Violet Town campus have been very supportive in instigating support groups and sub committees to implement best practice related to manual handling, wound care management, medication management and palliative care.

#### **Rostering System**

Implementation of Eziway Rostering System has enabled a review of staffing levels and mix at the Violet Town Campus. This has resulted in the increased use of permanent part time staff and casual staff plus a reduction in the use of agency staff. Resident are cared for by staff that are familiar with the residents, their families and the care needs, thus improving outcomes and the health and wellbeing of residents in our care.

#### **Student Placements:**

Honey suckle Regional Health Violet Town Campus continues to host Certificate 111 Students in Aged Care and has recently commenced hosting Diploma of Nursing Students through GOTAFE for their aged care placement, and Bachelor of Nursing Students through La Trobe University for their Management of chronic Disease in the community. We are working together with the Violet Town Medical Centre, Day therapy and Home Care to enable this placement to happen. Student placement provides a platform for Honeysuckle Regional Health staff to build on their knowledge base, impart their skills, and orientate and educate a prospective workforce, while promoting our facility.

### **Resident and Family Support**

Both Violet Town and Bentley's campuses continue to provide an 'open door' policy where senior management are available for residents and family members to meet and discuss concerns as they arise. Resident meetings provide a forum for resident concerns to be addressed and a recently formed Family Support Group in Violet Town attended by the CEO and Quality coordinator provides another forum for family members to have their concerns recognised and addressed. Lifestyle coordinators at both facilities provide excellent support to both families and residents.

### **Home Care and Day Therapy**

Brenda and Lyn continue to manage and run, wonderful community based programs that support and assist clients to remain in their own homes while promoting their health and wellbeing surrounded by a strong and supportive community. Their programs continue to evolve as consumer directed care implemented in 2017 has changed the focus of the programs they deliver.

### **Looking to the Future**

Honeysuckle Regional Health management and staff have been supportive of changes implemented to maintain our high quality of care and to meet regulatory compliance. Further changes involving the introduction of the 'Single Aged Care Quality Framework' will be challenging, but with ongoing support from Barry, Arun, Wendy, and staff across both campuses, Honeysuckle Regional Health will rise to the challenge and continue to provide the quality of care and support our residents and their families have come to expect.

Arlene Collins

Quality Co-ordinator



# VIOLET TOWN

## **FRIENDS OF VIOLET TOWN BUSH NURSING CENTRE**

### **- ANNUAL REPORT FOR 2016**

Despite the low number of members in the organisation of the Friends of the Violet Town Bush Nursing Centre, we have had yet another successful year in fund-raising for the benefit of the care recipients of the Centre.

Our fund raising for the year is as follows:

July Wood Raffle	\$ 542.10
December Market Tin Rattle	\$1,919.20
Mother's Day cake raffle	\$ 483.00
May Market Tin Rattle	\$1,872.75

In November five members (three present, two past) were recognised for their valuable contribution to the successful fund raising of the Friends over many years of service. The three present members being Lorna Palmer, Dot Rae and Peg Armstrong. Certificates of Appreciation designed by Kathleen Gibbs and flowers were presented.

Some of the purchases for our Bush Nursing Centre are the following:

Towards the hire of a marquee for the Rio Olympic concert on 22/9/2016 \$600  
(Organised by our Lifestyle Coordinator, Madonna Logue)

Extractor fan installed over the oven in Day Care	\$ 650
Contribution towards purchase of a heated mobile food cart	\$ 2,500
Kakadu select seat to be installed under the Jacaranda tree (This is in remembrance of Val McLean, our former President, who initiated the trolley service for care recipients back in February 2013)	\$ 665

In addition there were other smaller items purchased, such as a CD player with USB for the Lifestyle staff to create personal music play lists for individual care recipients to enjoy with headphones or share with others.

In May, the Friends presented two gift cards to Pam Ellis and Barb Ramage for all the work they did on the beautiful Mothers' Day cake we raffled. A gift card was also presented to Linda Schultz for the work she does on the trolley round account.

We would like to thank Marg Block for stepping in and taking over as Treasurer when Kath Utber departed Violet Town and for performing so efficiently in this role. She has decided to resign from her position as Vice President but will remain a member of our organisation. As Vice President, her contribution has been very much appreciated – as has her dry sense of humour.

We look forward to increasing our membership in the coming year and, as Chairperson, I would like to thank all the members of Friends . . . and all those other people who have assisted us in our mission.

Veronica Brown  
President

## ANNUAL LIFESTYLE REPORT

Honeysuckle Regional Health –Violet Town Bush Nursing Centre has maintained and supported a Leisure and Lifestyle Activity program that emphasises therapeutic programs that encompass meaningful lifestyle choices and engaging leisure options. The programs support the social connectedness, physical stimulation, emotional support and spiritual wellbeing of the residents individually as well as within a group environment, utilising an understanding of human behaviour and functioning. These programs are developed to overcome barriers as the individual transitions into the residential care environment as well as maintain a sense of “normal” – A continuum of Lifestyle choice and meaningful engagement.

Consultation with residents, family of residents and staff is paramount and common practice as we continue to evaluate and modify our performance necessary to meet consumer needs....

The Lifestyle team is as diverse as the individual supported, they draw on varied strengths that in turn provide Activities that are creative, varied and tailored to ability to enable.

Not only do we provide much requested Activities such as Bingo and Bowls but we are innovative and progressive as we connect with facilities worldwide in games of scrabble and electronic post card exchange with the assistance of technology.

**The Community** ...Part of the “normal” has been the continuance of community participation, this year was not without exception as the Violet Town Market Committee developed a Mother’s Day event especially for us that provided a tour and morning tea, the children of our local Kinda visit monthly for intergenerational play time and St Dunstan’s Movie added matinees to their schedule to make it convenient t for our residents to attend. Our inclusion and the consideration of the local community groups is without contention.



**The Volunteers ...**Our volunteers are a commodity valued by the VTBNC as they continue to enhance the lives of the residents and Program support whether they are visiting one to one to say the rosary, pushing wheel chairs on out weekly Wheel Chair Walk's or providing Music these folks bring the community with in and extend friendships.

**Our Pets ...**To complete our home a resident Dog "fin" frequents our back yard and watches over the girl's- a selection of Chickens that receive their daily feed of scraps with the help of a resident. Fin has become a part of the furnishings so to speak and can often be found in the lounge reclining with residents.

**Music and community ...**What would life be without Music? The lifestyle calendar includes weekly Music expressions from a variety of genres, classical guitarist SHAKTI delights as does Margaret Dunn with requested piano classics. "Music by Request" brings memory and joy – it also tests the tech ability of staff as we utube and screen requests. These programs fill our main lounge with cheer and merriment that last well beyond the time of the program.



**Open Minds Active Lives from Dementia ...**An initiative that further demonstrates the VTBNC commitment to providing a "HOME". Residents participate in everyday life activity to maintain an environment with staff support that promotes independence, self-esteem and choice. This is a cultural shift and change that has an emphasis on the resident and their lives.

***"It a pleasure to come to work and be a part of the lives of the residents"***

## HOME CARE PACKAGES

Home Care Packages are provided to eligible people referenced by My Aged Care [www.myagedcare.gov.au](http://www.myagedcare.gov.au) or phone 1800 200 422. The program is focused on ensuring local people can stay at home, or with family, as long as possible. Support and transition to their next phase of care is also provided when required. There are 4 package Levels, Level 4 being the highest level.

We currently hold 12 packages

- Violet Town - 4 (1x level 4 and 3 x level 2)
- Strathbogie – 2 (2 x level 2)
- Euroa – 6 ( 1 level 4 and 5 level 2)

Of these 12 packages 5 have now been reassessed by ACAS and are now on the waiting list for higher level packages.

Since February 2017 there has been a complete change for Home Care Package providers. We can no longer access a list of potential clients because it is no longer a state list but a National list, and this is managed by My Aged Care. We are also no longer restricted in the number or level of packages we can manage and our intention is to build our numbers. The client now gets a letter from My Aged Care to notify them that they have been allocated a package and it is their responsibility to sign up with a provider within 52 days. This means that as an organisation it is now important that we let the community know who and where we are and why they should choose us as their provider. Since February I have been doing talks at clubs and groups within the community, there have been advertisements in the local papers and I have held information sessions. More of this will be required along with upgrading the website and sitting outside the supermarkets and public spaces with information. I believe that advertising is an efficient way to get the information out to the broader community. At a recent Hume Region meeting we were informed that marketing is now on the list of training that case managers require.

I have a long history in aged care in Strathbogie shire and the advertising has encouraged contact by many local people who have been assessed as eligible for a package and are on the waiting list, there are 15 people who have informed me that they will choose me as their case manager when they are allocated their package. Unfortunately there is no way to know when this will happen so continuing to be in the public space and advertising are necessary.

This year we have also acquired a new computer program e-Tools – eHCP, to move from paper files to a more efficient system that is used by the majority of Home Care Package providers, this enables faster access to client information and a secure place to keep all of the client information where it is easily accessible, with more efficient access to agreements and care plans.

Lyn Newnham

Case Manager

Honeysuckle Regional Health

## DAY THERAPY CENTRE ANNUAL REPORT 2016-2017

The Day Therapy and HACC Planned Activity Group provides an excellent service to the Violet Town community.

The aims of these programs are to provide day respite for families and an active program of socialisation, support and enjoyment for all who attend as well as individual and group therapy programs.

We have also received funding to continue our program of the Men's Mob and Girl's Day Out, which is aimed at linking people together in the community.

### **Men's Mob**

Men's Mob has a membership of 36 and is still growing. These men meet monthly and enjoy outings to such places as Wangaratta, Chiltern and Mansfield.

### **Girl's Day Out**

Girl's Day Out has a membership of 47 and is also growing. The girls have outings to Yarck, Alexander and Yarrowonga – just to mention a few.

### **Weekly Programs**

Our weekly programs change often.

**The Health & Fitness Program** also continues to be important part of our weekly program with each client being individually assessed by our Physiotherapist, Sarah Jennings. What a great asset we have with the Gym being a great place to exercise. We also run balance and weights groups and a walking group. Our health and fitness programs are always well attended and enjoyed by all.

**Hydrotherapy** is another very important part of our program which also supports our health and fitness program. The water at the Benalla pool is very warm and inviting and the buoyancy of the water supports body weight making it easier to move in the water and improve flexibility. The water also provides resistance to movements, which helps to strengthen muscles. Pool **exercises** can also improve agility, balance, and cardiovascular fitness.

Kitchen: The new kitchen has been a great asset to our daily programs, which also includes group cooking activities with the clients – and we have just received a new coffee machine!

Courtyard: This is a spectacular area during Spring and is a great spot for morning tea and BBQs.

Creative Art and Craft: This year we enjoyed a visit from Euroa DTC who participated in our glass painting workshops – everyone enjoyed our display which was exhibited in the foyer.

Guest Speakers: This year we have had some very interesting guest speakers, and we thank them for their time.

### **Volunteers:**

Volunteers are an important part of our community. A very big "THANK YOU" to all our volunteers who regularly support all our programs and outings.

### **Thank You**

A big thank you also to the Friends of the VTBNC, Violet Town Op Shop, the Community House and Violet Town Seed Savers for their generous support to our Centre.

Brenda Hoare  
Day Therapy Coordinator

***BENTLEYS***

# **BENTLEYS AGED CARE ANNUAL REPORT 2016-17**

## **INTRODUCTION**

Bentleys Aged Care continues to strive for excellence in the provision of high quality care and a home-like friendly environment which is responsive to the individual needs of our care recipients. There has been a number of improvements made to for the environmental comfort of our residents, including the installation of air conditioning units in all residents' rooms and operational areas. Bentleys has succeeded in obtaining a further three years accreditation by the Australian Aged Care Quality Agency in March this year, meeting all forty-four standards, with special commendation for the Lifestyle program and Food services.

The introduction of the National Disability Insurance Scheme to the Bendigo region has instigated our registration as a NDIS service provider, and we look forward to providing those services to recipients of this scheme who reside at Bentleys.

Bentleys is focused on continuing to be seen as an 'employer of preference' and the high quality of staff is a key driver and high priority within our business plan. New staff are carefully selected for key qualities which include experience and qualifications, and most importantly adherence to the values of this organisation.

While Bentleys continues to enjoy a high level of confidence and reputation within the community of Bendigo and associated regions we strive to ensure a high level of satisfaction from all stakeholders and reference points to maintain this level of confidence. There is a high level of referrals made to Bentleys both for respite and permanent placements, and our waiting list both for funded and private placements continues to grow. The Board of Management, CEO and management are focused on succeeding in our goals to increase the number of government funded places at Bentleys to meet the needs of the Bendigo community, evidenced by the number of requests for funded places.

Bentleys staff continue to forge close relationships with our partners, which include Bendigo Health in the provision of their Transition Care Program and Hospital in the Home, allied health services by Fusion physiotherapy, Bendigo Volunteer Resource Centre, Residential In-reach Services, and Loddon Mallee Palliative Care Consortium.

### **Our Staff**

**Facility Manager** -Wendy Rogasch

RN, RM, Grad Dip Critical Care, Grad Cert - Health Prof Education, Dip Management, Grad Cert- Health Admin

**Clinical Care Coordinator / Assistant Manager** – Jo-Anne Wallis RN

**Lifestyle Coordinator** – Sandra Forge      Certificate IV Leisure & Health

**Senior Administration** – Gabrielle McKenzie

**Reception / Administration** – Laura Robinson      Certificate IV Business Administration & Cert in Massage

**Head Cook** – Gayle Tuddenham.      Diploma of Hospitality, Cert IV in Training &Assessment

My thanks and appreciation once more goes out to all of the Bentleys staff who deliver the hands on care and services every day with a smile and a cheery word for everyone. The work you do is exceptional.

## Our partnerships

At Bentleys we have a flexible and multi-pronged approach to delivery of accommodation and care services that fit the needs of this community. Bentleys continues to work closely with Bendigo Health Staff to deliver care and therapies to clients of the Transition Care Program at Bentleys. Bentleys also provides overnight accommodation to patients of Bendigo Health who have undergone a Day procedure, but are unable to return home that night without a responsible adult in attendance. These clients are now able to be booked into a night's accommodation at Bentleys which ensures appropriate supervision of these clients who have had an anaesthetic or sedation.

Bentleys continues to be involved with the Bendigo Volunteer Resource Centre, who have provided referrals of those interested in volunteering their time to benefit others. This has been a great benefit to our Lifestyle program, enhancing the experience of many of our residents. Thank you to all those who have given freely of their time to be part of the program at Bentleys.

This year we developed a partnership with Fusion Physiotherapy service, who provide a range of allied health professionals to come into the facility to assess and treat our residents

Bendigo Foot Clinic continues to provide an excellent podiatry service to residents in a professional and caring way.

Pam Grist has been providing services to Bentleys as our resident hairdresser for eleven years – in fact, since the opening of the facility in 2006 under the previous management. She has provided a pleasant and friendly service to many residents over that time.

## Challenges

Our ACAR submission for a further allocation of government funded places last year was not successful and we have received feedback regarding our submission, and the areas that the department targeted in regards to that funding round. We will submit further applications into the future to enable Bentleys Aged Care to progress to a fully funded Residential Aged Care Facility, and thus meet the needs that are evidenced by the growing interest we see in funded aged care at Bentleys.

## Achievements / improvements

Bentleys' 10th anniversary was celebrated in June. Residents and families gathered for a wonderful afternoon entertainment by the rusty divas, and an address by myself, Barry Hobbs (CEO) and our volunteer chaplain Ian Hendry, followed by a superb afternoon tea provided by Gayle and the rest of the dedicated food services staff.

In April Bentleys underwent a two day audit conducted by the Australian Aged Care Quality Agency. Auditors spoke to staff, residents and families and reviewed a mountain of documents. We have subsequently been awarded a further three years of full accreditation, having passed all 44 standards with flying colours. Of note were the comments from the auditors at their exit meeting, highly commending the lifestyle program, coordinated by Sandra Forge and the food services, overseen by Gayle Tuddenham.

There has been an increase the number of computer terminals available to staff, allowing improved access to computers for documentation and communication, resulting in further efficiencies.

A computer tablet has been purchased with donated funds from the Bendigo Country Talent Club, for use by the Lifestyle program. This enables residents to play games and puzzles and gain computer skills at the same time. The tablet will also be utilised for our Haylo project which will enable residents to keep in contact with friends and family who live further afield.

Building improvements include air conditioning units in all resident rooms and operational areas, a large solar energy system installed on the roof, improved storage areas for equipment and the beautification of the fountain atrium with a generous donation from All Stone Quarries Plant nursery.

A new electronic payroll system has successfully been implemented across the organisation and staff have embraced the new system.

Staff training this year has included a substantial effort to deliver pro-active and individually responsive care planning for all staff as well as intensive education for selected staff members in appropriate, careful and accurate ACFI assessment.

VTBNC as a whole has been approved as a provider for services under the National Disability Insurance Scheme which ensures that both sites are able to respond to specific needs based requirements and care for recipients of the NDIS.

#### Wendy Rogasch, Facility Manager

##### *Excerpts from communications received*

"Hi Wendy,

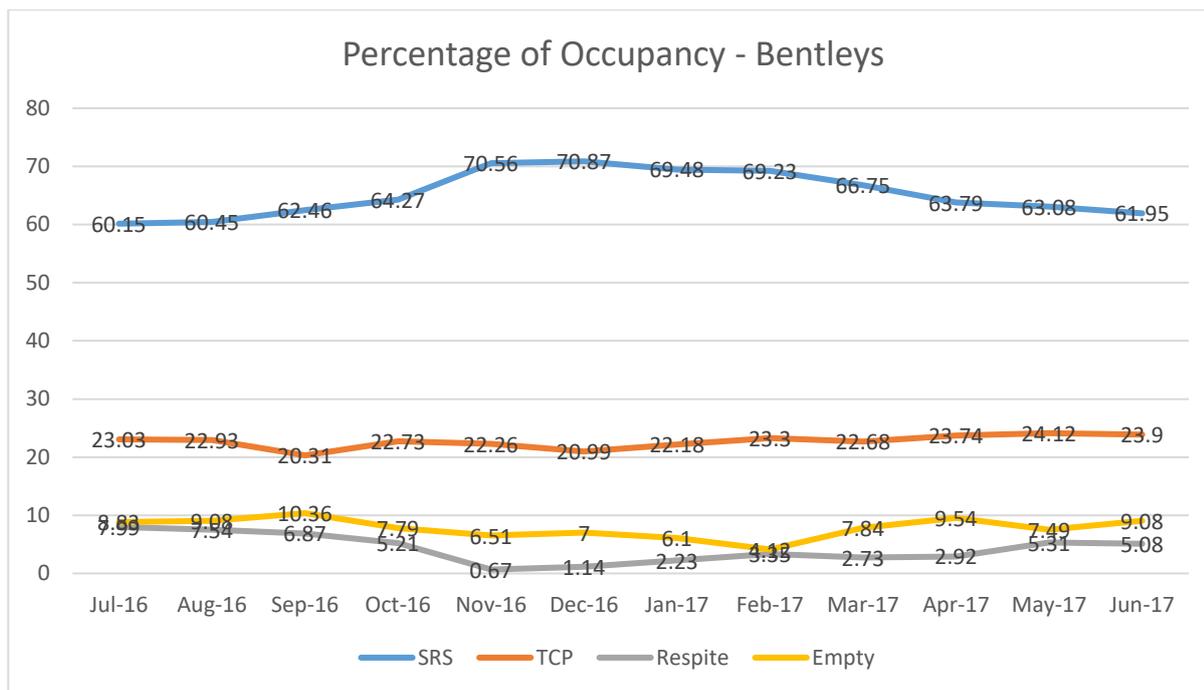
This is a long overdue email that I promised one of our patients I would write. (Patient name) was a BH patient with you in August for post op care following a procedure. He was very appreciative of the care shown to him and the facilities available to him. He said all the contact he had with staff was friendly and polite. He will be returning to you at some time in the near future as we continue our scope program on him. Thank you for your wonderful care."

"Dear Wendy,

.... It is a real pleasure to walk in the front door. One is greeted by warmth and the very attractive surroundings. I have been greatly impressed by the staff, each one is so capable, courteous, kind and thoughtful....

On a lighter note, I think that whoever makes the evening soup for Bentleys deserves an A+. Every night a different recipe! And each one as delicious as the last....

Bentleys offers a safe haven for those who need it. May it long prosper. God bless and keep you all."



The average occupancy for the financial year was 91.31%. The breakdown of the occupancy figures is shown on the graph above. The total percentage for empty bed days does not clearly illustrate room occupancy, as there are a number of double rooms which are occupied by single residents who choose to be accommodated in a double room.

## LIFESTYLE PROGRAM

Along with our usual activities relating to physical, social, mental stimulation, religious & cultural needs we have had several stand out activities for the year.

- Anzac day service with the RSL
- Melbourne cup celebrations
- Memorial services twice yearly by our chaplain, Ian Hendry
- Weekly Coffee Club
- Fish & chip lunch orders monthly
- visit by Blumes Fashions
- visit by Homy Ped shoes
- Christmas family & residents celebration, with the Rusty Divas
- Bentleys 10th Birthday celebrations
- Fundraising Trivia night

### Bentleys would like to acknowledge and give special thanks to

- Our honorary Chaplain Ian Hendry and his wife Sandra Hendry
- our dedicated band of volunteers
- the many entertainers who give up their time to come sing, dance or play.
- Pam Grist, resident hairdresser



## 86TH ANNUAL GENERAL MEETING - MINUTES

Monday 14 November 2016 at 7.30pm

Violet Town Community Complex Supper Room

**PRESENT:** (Full Voting members) John Hawkes (Life member & Board Chairman), Nicholas Palmer, Faye Whitewood, Rob Roach, Carol Hart, Wayne Sullivan (CEO Euroa Health), Jim Perry, Joy Elston, Lorna Bamford, Janet Mather, Margaret Block, Alf Block, Kerry Garrett, Pam Ellis, Ann Byrnes, Richard Byrnes, Jennie We Errey, Diana Chomley, Angus Howell, David Staff, Nola Dudley, June Belcher, Meryl McDiarmid (Life Member), Lorraine Sinclair, Jeff Welsh, Christine Welsh, Irene Gilliland, Trish Delahey, Betty Hill, Janet Allen, Norma Sutherland, Faye Biddle, Linden Biddle, Stephen Carroll

Staff Members (Associates) Barry Hobbs(CEO), Louise Palmer, Brenda Hoare, Linda Schultz, Julie Novosel, Madonna Logue, Wendy Rogasch

**APOLOGIES:** Jean Miller, Murray Ellis, Maxine Roach, Janine Holland (CEO Benalla Health), Felipe Rodriguez, Bronwyn Beadle (CEO Nagambie Healthcare), Peter Ryan (Goulburn Valley Health Board), Hon. Damian Drum MP, Steph Ryan MP, Ray Kirkpatrick, Veronica Kirkpatrick, John Dunn, Veronica Brown, Clive Brown, Stuart Outhred, Lyn Outhred

### **CONFIRMATION OF MINUTES:**

85th. Annual General Meeting held 14th November 2016

**Moved: F. Whitewood    Seconded: N. Palmer**

### **BUSINESS ARISING FROM MINUTES: Nil**

### **ANNUAL REPORTS:**

Chairman Report- Published in Annual Report 2015-2016 and distributed to those present. Chairman thanked staff, volunteers, all generous donors and retiring Board Members.

### **CEO Report**

– Spoke to report published and circulated in Annual report 2015-2016

### **FINANCIAL REPORT:**

Distributed in Annual report 2014-2015. Accountant Steven Jackel summarised and explained the financial statements

### **Motion that annual reports and financial reports be accepted**

Moved: N. Palmer    Seconded: D. Chomley

### **APPOINTMENT OF AUDITOR:**

Motion that Coffey Hunt be reappointed as External Auditors

**Moved: K. Garrett    Seconded: I. Gilliland**

DECLARATION OF ELECTION - AND  
CONFIRMATION OF COMMITTEE OF MANAGEMENT FOR 2016 - 2017

**Positions vacant-**

Ann Byrnes nominated for re-election

Irene Gilliland nominated for re-election

John Dunn retiring

Howard Myers retiring

**Nominations-**

Ann Byrnes

Irene Gilliland

David Staff

As there were no more nominations than there are vacancies the Chairman of the annual general meeting declared the persons nominated to be duly elected to the vacancies. There remains one unfilled position on the Board.

**BUSINESS:**

Annual sub to remain at \$10 per member till July 2017

***Moved: D. Chomley***

***Seconded: P. Ellis***

**OTHER MATTERS OF BUSINESS:**

1. Kerry Garrett presented a cheque for \$2000.00 to the CEO from the Benalla Soroptimist International Group. This can be used as scholarships for female staff at the discretion of the CEO.

**CLOSE MEETING: 8.00pm**

## **87TH ANNUAL GENERAL MEETING - AGENDA**

Monday 13th November 2017 at 7.30pm  
Violet Town Community Complex Supper Room

### AGENDA

#### CHAIRMAN WELCOME

Mr. John Hawkes Chair.

#### APOLOGIES

#### CONFIRMATION OF MINUTES

86th. Annual General Meeting held 14 November, 2016

#### BUSINESS ARISING FROM MINUTES

#### ANNUAL REPORT

Chairman's Report

CEO Report

APPOINTMENT OF AUDITOR      Reappointment of McLaren Hunt (move motion)

#### DECLARATION OF ELECTION -

AND CONFIRMATION OF COMMITTEE OF MANAGEMENT FOR 2016-2017

#### PRESENTATION OF-Bursaries

VTAG- Pat Glynn Bursary

Soroptimist International Benalla

#### BUSINESS

Annual Subscription amount and due date for payment (move motion)

#### OTHER MATTERS OF BUSINESS

#### CLOSE MEETING

Invitation to Supper

## **FINANCIAL STATEMENTS**

**VIOLET TOWN BUSH NURSING CENTRE INC.**  
**ABN 17 344 959 747**

**ANNUAL FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2017**

VIOLET TOWN BUSH NURSING CENTRE INC

**COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
Revenue from operating activities	2	8,873,005	7,932,029
Revenue from non-operating activities	2	141,059	227,364
Employee provisions expense	3	(7,129,849)	(6,655,125)
Other Expenses	3	<u>(1,883,345)</u>	<u>(2,032,117)</u>
<b>Net Result Before Capital and Specific Items</b>		<b>870</b>	<b>(527,849)</b>
Capital purpose income	2	122,459	76,928
Depreciation expense	4	<u>(508,362)</u>	<u>(536,227)</u>
Net Result After Capital and Specific Items		<b>(385,033)</b>	<b>(987,148)</b>
<b>Other Economic Flows Included in Net Result</b>			
Valuation of Bed Licences		<u>878,000</u>	<u>50,000</u>
<b>NET RESULT FOR THE YEAR</b>		<b><u>492,967</u></b>	<b><u>(937,148)</u></b>
<b>Other comprehensive income</b>			
Loss on revaluation of financial assets		<u>0</u>	<u>0</u>
<b>COMPREHENSIVE RESULT</b>		<b><u>492,967</u></b>	<b><u>(937,148)</u></b>

This Statement should be read in conjunction with the accompanying notes.

VIOLET TOWN BUSH NURSING CENTRE INC

BALANCE SHEET AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
<b>Current Assets</b>			
Cash and cash equivalents	5	3,472,884	244,611
Receivables	6	193,550	371,909
Investments and other financial assets	7	3,147,090	4,312,831
Non financial assets classified as held for sale	8	140,000	0
Other assets	9	83,161	105,719
<b>Total current assets</b>		<b>7,036,685</b>	<b>5,035,070</b>
<b>Non-current assets</b>			
Intangible assets	10	3,360,000	2,482,000
Property, plant and equipment	11	11,645,851	11,912,045
<b>Total non-current assets</b>		<b>15,005,851</b>	<b>14,394,045</b>
<b>TOTAL ASSETS</b>		<b>22,042,536</b>	<b>19,429,115</b>
<b>Current Liabilities</b>			
Payables	12	810,707	552,338
Financial Liabilities	13	3,259,750	3,435,410
Employee Benefits	14	820,620	814,038
Other liabilities	15	7,074,743	5,055,874
<b>Total current liabilities</b>		<b>11,965,820</b>	<b>9,857,660</b>
<b>Non-current liabilities</b>			
Employee Benefits	14	212,408	200,114
<b>Total non-current liabilities</b>		<b>212,408</b>	<b>200,114</b>
<b>TOTAL LIABILITIES</b>		<b>12,178,228</b>	<b>10,057,774</b>
<b>NET ASSETS</b>		<b>9,864,308</b>	<b>9,371,341</b>
<b>EQUITY</b>			
Reserves	16(a)	2,854,000	1,976,000
Retained surplus	16(b)	7,010,308	7,395,341
<b>TOTAL EQUITY</b>		<b>9,864,308</b>	<b>9,371,341</b>
Commitments	22		
Contingent Assets and Contingent Liabilities	23		

This Statement should be read in conjunction with the accompanying notes.

**VIOLET TOWN BUSH NURSING CENTRE INC  
STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

	Retained Surplus	Asset Revaluation Surplus	Total
	\$	\$	\$
<b>Balance at 1 July 2015</b>	8,332,489	1,976,000	10,308,489
Net result for the year	(937,148)	0	(937,148)
Other Comprehensive income for the year	0	0	0
<b>Balance at 30 June 2016</b>	<b>7,395,341</b>	<b>1,976,000</b>	<b>9,371,341</b>
Net result for the year	(385,033)	0	(385,033)
Other Comprehensive income for the year	0	878,000	878,000
<b>Balance at 30 June 2017</b>	<b>7,010,308</b>	<b>2,854,000</b>	<b>9,864,308</b>

This Statement should be read in conjunction with the accompanying notes.

VIOLET TOWN BUSH NURSING CENTRE INC

**CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Resident fees received		4,563,029	4,242,673
Operating grants from government		4,243,319	3,660,575
Donations and bequests received		87,368	83,185
Interest received		143,095	137,377
Other receipts		150,378	87,537
<b>Total receipts</b>		<b>9,187,189</b>	<b>8,211,347</b>
Payments for suppliers & Employees		(8,600,118)	(8,325,366)
Borrowing costs		(170,671)	(192,074)
<b>Total payments</b>		<b>(8,770,789)</b>	<b>(8,517,440)</b>
<b>Cash generated from operations</b>		<b>416,400</b>	<b>(306,093)</b>
Capital grants from government		0	0
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	17	<b>416,400</b>	<b>(306,093)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		61,364	0
Net proceeds from(payment for) sale of investments		1,165,741	(892,547)
Purchase of property, plant and equipment		(408,441)	(200,163)
<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>		<b>818,664</b>	<b>(1,092,710)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Net proceeds from/(payment for) Monies inTrust		2,168,869	737,657
Proceeds from/(repayment) of borrowings		(175,660)	135,410
<b>NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>		<b>1,993,209</b>	<b>873,067</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD</b>		<b>3,228,273</b>	<b>(525,736)</b>
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		<b>244,611</b>	<b>770,347</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	5	<b>3,472,884</b>	<b>244,611</b>

This Statement should be read in conjunction with the accompanying notes.

**NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements cover Violet Town Bush Nursing Centre Inc. as an individual entity. Violet Town Bush Nursing Centre Inc. is a not-for-profit association incorporated in Victoria under Association Incorporation Reform Act (VIC) 2012.

**Basis of Preparation**

These general purpose financial statements have been prepared in accordance with the *Associations Incorporation Reform Act 2012 (Vic)* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements except for the cash flow information, have been prepared on an 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.

The financial policies adopted are consistent with the previous year.

**Going Concern Basis**

During the year ended 30 June 2017 Violet Town Bush Nursing Centre incurred an operating surplus of \$870 (2016 loss of \$527,849).

The financial statements have been prepared on the going concern basis in consideration of the following:

- Violet Town Bush Nursing Centre has been able to settle all borrowings with banking institutions via use of accommodation bonds received from residents at Bentleys Aged Care.
- The 2017/18 adopted budget provides for a surplus prior to depreciation of \$312,185.

**Accounting Policies**

**(a) Income Tax**

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

**(b) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost, where applicable, less any accumulated depreciation and impairment loss.

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

The depreciable amount of all fixed assets including buildings and capitalised leased assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use.

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

	<b>2017</b>	<b>2016</b>
Buildings	2.5 to 10%	2.5 to 10%
Plant and Equipment	5 to 33.33%	5 to 33.33%
Motor Vehicles	25.00%	25.00%

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 net proceeds with the carrying amount. These gains and losses are recognised in profit or loss when the item is derecognised.

When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

**NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(c) Financial Instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Financial instruments measured subsequent to initial recognition are measured as set out below.

**(i) Available-For-Sale Financial Assets**

Available-for-sale financial assets are those designated as available-for-sale or not classified in any other category of financial instrument asset. Such assets are initially recognised at fair value. Gains and losses arising from changes in fair value are recognised directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net result for the period.

**(ii) Financial Liabilities**

Non-derivative financial liabilities are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Association has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

**(iii) Held-to-maturity Investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the association's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

**(d) Impairment of Non-Financial Assets**

At the end of each reporting period the Association determines whether there is any indication that an asset may be impaired.

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

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

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

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

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

**(e) Intangible Assets**

New bed licences are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, independent valuations. The Association has determined the bed licences are indefinite life assets and therefore not amortised, but subject to an annual impairment review.

**NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(f) Employee Benefits**

Provision is made for the Association'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 plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. These cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

**(g) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

For the Statement of Cash Flows presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as current borrowings in the Statement of Financial Position.

**(h) Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from members as well as receivables from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified non-current assets.

Receivables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any provision for impairment.

**(i) Revenue and Other Income**

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

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

Grants revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant, 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.

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 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.

Violet Town Bush Nursing Centre Inc. 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 the statement of comprehensive income.

Donations and bequests are recognised as revenue when received.

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.

**NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(i) Revenue and Other Income (Continued)**

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be reliably measured. If this is the case, then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably measured, then revenue is recognised to the extent of expenses recognised that are recoverable.

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

**(j) Borrowings**

All borrowings are initially recognised at fair value on the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on, whether the Association has categorised its borrowings as either, financial liabilities designated at fair value through profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value being recognised in net result over the period of the interest bearing liability using the effective interest rate method.

**(k) 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 represented on a gross basis. 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.

**(l) Accounts Payable and Other Payables**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amount normally paid within 30 days of recognition of the liability.

**(m) Economic Dependence**

Violet Town Bush Nursing Centre Inc. is dependent on the State and Federal Government for the majority of its revenue used to operate the business. At the date of this report the Committee members have no reason to believe the State and Federal Government will not continue to support Violet Town Bush Nursing Centre Inc.

**(n) Critical Accounting Estimates and Judgements**

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

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

**NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(o) New Accounting Standards for Application in Future Periods**

Certain new Australian accounting standards have been published that are not mandatory for 30 June 2017 reporting period.

As at 30 June 2017, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. Violet Town Bush Nursing Centre Inc. has not and does not intend to adopt these standards early.

Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Nursing Home's Annual Statements
AASB 9 <i>Financial Instruments</i>	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 January 2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss.  While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i>	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: - The change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI); and - Other fair value changes are presented in profit and loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.	1 January 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. Changes in own credit risk in respect of liabilities designated at fair value through profit and loss will now be presented within other comprehensive income (OCI). Hedge accounting will be more closely aligned with common risk management practices making it easier to have an effective hedge. For entities with significant lending activities, an overhaul of related systems and processes may be needed.

**NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(o) **AASs issued that are not yet effective (Continued)**

Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Nursing Home's Annual Statements
AASB 15 <i>Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 January 2018	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.  A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.
AASB 2015-1 Amendments to Australian Accounting Standards [Part E Financial Instruments]	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1 January 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2015-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]	Amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to: <ul style="list-style-type: none"> <li>- establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset;</li> <li>- prohibit the use of revenue-based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset.</li> </ul>	1 January 2017	The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation.

**NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(o) **AASs issued that are not yet effective (Continued)**

Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Nursing Home's Annual Statements
AASB 2015-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 January 2018	The assessment has indicated there will be no significant impact for the public sector.
AASB 2015-9 <i>Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 &amp; 128]</i>	Amends AASB 127 Separate Financial Statements to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements.	1 January 2017	The assessment indicates that there is no expected impact as the entity will continue to account for the investments in subsidiaries, joint ventures and associates using the cost method as mandated if separate financial statements are presented in accordance with FRD 113A.
AASB 2015-10 <i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 &amp; AASB 128]</i>	AASB 2015-10 amends AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 <i>Investments in Associates</i> to ensure consistent treatment in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that: <ul style="list-style-type: none"> <li>- a full gain or loss to be recognised by the investor when a transaction involves a business (whether it is housed in a subsidiary or not); and</li> <li>- a partial gain or loss to be recognised by the parent when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.</li> </ul>	1 January 2017	The assessment has indicated that there is limited impact, as the revisions to AASB 10 and AASB 128 are guidance in nature.
AASB 2016-6 <i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 &amp; AASB 1049]</i>	The Amendments extend the scope of AASB 124 Related Party Disclosures to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities.	1 January 2017	The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions.
AASB 2016-8 <i>Amendments to Australian Accounting Standards - Effective Date of AASB 15</i>	This standards defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 January 2018	This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition requirements.

**NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(o) **AASs issued that are not yet effective (Continued)**

Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Nursing Home's Annual Statements
AASB 16 <i>Leases</i>	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 January 2019	The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase. Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus. The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement. No change for lessors.

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2016-17 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

- AASB 2015-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]
- AASB 2015-6 Amendments to Australian Accounting Standards – Agriculture: Bearer Plants [AASB 101, AASB 116, AASB 117, AASB 123, AASB 136, AASB 140 & AASB 141]
- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]
- AASB 2016-9 Amendments to Australian Accounting Standards - Scope and Application Paragraphs [AASB 8, AASB 133 & AASB 1057]
- AASB 2016-10 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128
- AASB 2017-2 Amendments to Australian Accounting Standards - Disclosure Initiative - Amendments to AASB107

**Violet Town Bush Nursing Center Inc.**  
**Notes to the Financial Statements 30 June 2017**

**Note 2: REVENUE**

	<b>TOTAL 2017 \$</b>	<b>TOTAL 2016 \$</b>
<b>Revenue from Operating Activities</b>		
- Resident Fees & Retentions	4,506,658	4,172,356
- Operating and Capital Grants	4,215,969	3,665,879
- Donations (non capital)	0	6,257
- Other Revenue	150,378	87,537
	<b>8,873,005</b>	<b>7,932,029</b>
<b>Total Revenue from Operating Activities</b>		
<b>Revenue from Non-Operating Activities</b>		
- Interest Received	2(a) 141,059	139,075
- Other Recoveries	0	88,289
	<b>141,059</b>	<b>227,364</b>
<b>Total Revenue from Non-Operating Activities</b>		
<b>Revenue from Capital Purpose Income</b>		
- Donations and Bequests	87,368	76,928
- Gain/Loss on Sale of Non Financial Assets	3(a) 35,091	0
	<b>122,459</b>	<b>76,928</b>
<b>Total Capital Purpose Income</b>		
<b>Total Revenue</b>	<b>9,136,523</b>	<b>8,236,321</b>

**Note 2a: ANALYSIS OF REVENUE BY SOURCE**

	<b>TOTAL 2017</b>	<b>TOTAL 2016</b>
<b>Interest Revenue</b>		
- Financial Institutions	124,379	126,168
- Resident Bond Interest	16,680	12,907
	<b>141,059</b>	<b>139,075</b>
	<b>141,059</b>	<b>139,075</b>

<b>Note 3: EXPENSES</b>	<b>TOTAL 2017 \$</b>	<b>TOTAL 2016 \$</b>
<b>Employee Expenses</b>		
Employee Benefits Expense	7,129,849	6,655,125
<b>Total Employee Expenses</b>	<b>7,129,849</b>	<b>6,655,125</b>
<b>Other Expenses from Continuing Operations</b>		
Service Contract Fees	83,343	51,884
Operating Expenses	317,695	333,051
Repairs and Maintenance Expenses	255,614	176,995
Food & Provisions	396,253	332,807
Other Expenses	659,769	676,676
Loss on Disposal of Property, Plant & Equipment	3a 0	274,640
Bad/Doubtful Debts	0	(6,010)
Finance Costs	170,671	192,074
<b>Total Other Expenses from Continuing Operations</b>	<b>1,883,345</b>	<b>2,032,117</b>
Depreciation and Amortisation	4 508,362	536,227
<b>TOTAL EXPENSES</b>	<b>9,521,556</b>	<b>9,223,469</b>

<b>NOTE 3a: NET GAIN/(LOSS) ON DISPOSAL OF NON-FINANCIAL ASSETS</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Proceeds from Disposal of Non Financial Assets</b>		
- Motor Vehicles	61,364	0
<b>Total Proceeds from Disposal of Non-Financial Assets</b>	<u>61,364</u>	<u>0</u>
<b>Less: Written Down Value of Non Financial Assets Sold</b>		
- Land & Buildings	0	(274,640)
- Motor Vehicles	(26,273)	0
<b>Total Written Down Value of Non-Financial Assets Sold</b>	<u>(26,273)</u>	<u>(274,640)</u>
<b>NET GAINS/(LOSSES) ON DISPOSAL OF NON FINANCIAL ASSETS</b>	<u><u>35,091</u></u>	<u><u>(274,640)</u></u>

**NOTE 4: DEPRECIATION AND AMORTISATION**

	2017	2016
	\$	\$
<b>Depreciation</b>		
Buildings	348,065	344,358
Plant and Equipment		
- Plant	112,256	138,726
- Transport	48,041	53,143
<b>TOTAL DEPRECIATION</b>	<b>508,362</b>	<b>536,227</b>

**NOTE 5: CASH AND CASH EQUIVALENTS**

	2017	2016
	\$	\$
Cash on Hand	2,459	899
Cash at Bank	225,522	79,101
Monies Held in Trust	3,244,903	164,611
<b>TOTAL</b>	<b>3,472,884</b>	<b>244,611</b>

**NOTE 6: ACCOUNTS RECEIVABLE AND OTHER DEBTORS**

	2017	2016
	\$	\$
<b>CURRENT</b>		
<b>Contractual</b>		
Accommodation Bonds Receivable	0	150,000
Trade Receivables	208,550	239,434
Provision for Impairment	(15,000)	(17,525)
<b>TOTAL ACCOUNT RECEIVABLE AND OTHER DEBTORS</b>	<b>193,550</b>	<b>371,909</b>

At reporting date there are no balances within trade and other receivables that contain assets that are not impaired and are past due. It is expected these balances will be received when due. Impaired assets are provided in full.

**Note 7: INVESTMENTS AND OTHER FINANCIAL ASSETS**

	2017	2016
	\$	\$
<b>CURRENT</b>		
Term deposits, managed funds and fixed income securities - at fair value	3,147,090	4,312,831
<b>TOTAL</b>	<b>3,147,090</b>	<b>4,312,831</b>

**NOTE 8: NON-FINANCIAL ASSETS CLASSIFIED AS HELD FOR SALE**

	2017	2016
	\$	\$
Freehold Land	140,000	0
<b>TOTAL</b>	<b>140,000</b>	<b>0</b>

**NOTE 9: OTHER ASSETS**

	2017	2016
	\$	\$
<b>CURRENT</b>		
Prepayments	29,432	22,604
Accrued Income	53,729	83,115
<b>TOTAL OTHER ASSETS</b>	<b>83,161</b>	<b>105,719</b>

**NOTE 10: INTANGIBLE ASSETS**

	2017	2016
	\$	\$
<b>Other Intangibles</b>		
Bed Licences at fair value	3,360,000	2,482,000
<b>Total Intangibles</b>	<b>3,360,000</b>	<b>2,482,000</b>

An independent valuation of both facilities was completed by Mr David Keenan API of Knight Frank Health & Aged Care Victoria. His valuation was based on a direct comparison of the market value of bed licences as at 30 June 2017. Based on this valuation the Association has adopted the advised facility bed rate of \$40,000 per bed licence.

**NOTE 11: PROPERTY, PLANT & EQUIPMENT**

	2017	2016
	\$	\$
<b>Land and Buildings</b>		
-Buildings at Cost	14,104,942	14,207,733
Less Accumulated Depreciation	3,537,521	3,189,456
-Work in Progress	0	128,058
<b>Total Land and Buildings</b>	<b>10,567,421</b>	<b>11,146,335</b>
<b>Plant &amp; Equipment</b>		
- Plant and Equipment at Cost	2,125,813	1,705,270
Less Accumulated Depreciation	1,135,293	1,023,037
<b>Total Plant and Equipment</b>	<b>990,520</b>	<b>682,233</b>
<b>Motor Vehicles</b>		
- Motor Vehicles at Cost	196,553	233,278
Less Accumulated Depreciation	108,643	149,801
<b>Total Motor Vehicles</b>	<b>87,910</b>	<b>83,477</b>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>11,645,851</b>	<b>11,912,045</b>

**Movements in carrying amounts of Property, Plant and Equipment**

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

	Land and Buildings \$	Plant & Equipment \$	Motor Vehicles \$	Total \$
<b>Balance at 1 July 2015</b>	<b>11,461,597</b>	<b>796,474</b>	<b>136,620</b>	<b>12,394,691</b>
Additions	303,736	24,485	0	328,221
Disposals - written down value	(274,640)	0	0	(274,640)
Depreciation Expense	(344,358)	(138,726)	(53,143)	(536,227)
<b>Balance at 1 July 2016</b>	<b>11,146,335</b>	<b>682,233</b>	<b>83,477</b>	<b>11,912,045</b>
Additions	(90,849)	420,543	78,747	408,441
Transferred to Held for Sale	(140,000)	0	0	(140,000)
Disposals - written down value	0	0	(26,273)	(26,273)
Depreciation Expense	(348,065)	(112,256)	(48,041)	(508,362)
<b>Balance at 30 June 2017</b>	<b>10,567,421</b>	<b>990,520</b>	<b>87,910</b>	<b>11,645,851</b>

**NOTE 12: ACCOUNTS PAYABLE AND OTHER PAYABLES**

	2017	2016
	\$	\$
<b>CURRENT</b>		
<b>Unsecured Liabilities</b>		
Accounts Payable	389,981	152,133
Fees Paid In Advance	34,659	9,172
Sundry Payables and Accrued Expenses	386,067	391,033
	<b>810,707</b>	<b>552,338</b>

**NOTE 13: BORROWINGS**

	2017	2016
	\$	\$
<b>CURRENT</b>		
Secured liabilities:		
Bank Loans	3,259,750	3,435,410
	<b>3,259,750</b>	<b>3,435,410</b>

The bank loan is secured by a general security interest over all present and after acquired property and a registered first mortgage over the assets of the Association's properties.

**NOTE 14: EMPLOYEE PROVISIONS**

	2017	2016
	\$	\$
<b>CURRENT</b>		
Employee provisions		
Long Service Leave		
- Unconditional and expected to be settled within 12 months (i)	50,000	50,000
- Unconditional and expected to be settled after 12 months (i)	199,530	268,460
Annual Leave		
- Unconditional and expected to be settled within 12 months (i)	526,090	450,578
- Unconditional and expected to be settled after 12 months (i)	45,000	45,000
	<b>820,620</b>	<b>814,038</b>
<b>NON CURRENT</b>		
Long Service Leave		
- Conditional Long Service Leave	212,408	200,114
	<b>1,033,028</b>	<b>1,014,152</b>

(i) The amounts disclosed are at present values

**NOTE 15: OTHER LIABILITIES**

	2017	2016
	\$	\$
<b>CURRENT</b>		
Monies Held in Trust		
- Patient Monies Held in Trust	6,300	4,249
- Accommodation Bonds	7,068,443	5,051,625
	<b>7,074,743</b>	<b>5,055,874</b>

Accommodation bonds have been classified as current liabilities in accordance with Australian Accounting Standards, as there is no right to defer the repayment of the contributions should a resident depart a facility. However the Committee are of the view that considering the history if repayments there is no expectation that the cash flow and working capital of the Association will be adversely impacted during the next 12 months. As in prior periods it is anticipated that some residents will depart facilities with contributions being repaid and new residents will enter and provide additional contributions.

**NOTE 16: RESERVES**

**(a) Reserves**

	2017	2016
	\$	\$
<b>Asset Revaluation Surplus <sup>(i)</sup></b>		
Balance at beginning of the Reporting Period		
- Bed Licences	1,976,000	1,976,000
Revaluation Increment/(Decrements)		
- Bed Licences	878,000	0
Balance at the end of the reporting period	<u>2,854,000</u>	<u>1,976,000</u>
Represented by:		
- Bed Licences	2,854,000	1,976,000
<b>Total Reserves</b>	<u>2,854,000</u>	<u>1,976,000</u>

(i) The Asset revaluation reserve arises on the revaluation of bed licences.

**(b) Retained Surpluses**

Balance at the beginning of the reporting period	7,395,341	8,332,489
Net Result for the Year	(385,033)	(937,148)
Balance at the end of the reporting period	<u>7,010,308</u>	<u>7,395,341</u>
<b>Total Equity at Reporting Date</b>	<u>9,864,308</u>	<u>9,371,341</u>

**NOTE 17: RECONCILIATION OF CASH FLOW FROM OPERATING ACTIVITIES WITH NET CURRENT YEAR SURPLUS**

	2017	2016
	\$	\$
<b>NET RESULT FOR THE PERIOD</b>	492,967	(937,148)
Depreciation & Amortisation	508,362	536,227
Revaluation of Bed Licences	(878,000)	(50,000)
Bad Debts	(2,525)	(48,203)
Net (Gain)/Loss from Sale of Plant and Equipment	(35,091)	274,640
Change in Operating Assets & Liabilities		
(Increase)/Decrease in Receivables	30,884	80,539
(Increase)/Decrease in Other Assets	22,558	(12,448)
Increase/(Decrease) in Income in Advance	25,487	(10,222)
Increase/(Decrease) in Trade and Other Payables	232,882	(302,080)
Increase/(Decrease) in Employee Benefits	18,876	162,602
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>416,400</u>	<u>(306,093)</u>

**NOTE 18: OPERATING SEGMENTS**

	Residential Aged Care		Other Services		Total	
	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>						
Government Grants & Subsidies	3,809,085	3,045,058	406,884	620,821	4,215,969	3,665,879
Resident/Patient Fees & Charges	1,728,016	1,531,464	2,752,197	2,538,659	4,480,213	4,070,123
Bond Retentions	26,445	102,233	0	0	26,445	102,233
Interest Income	141,059	139,075	0	0	141,059	139,075
Donations	86,868	76,928	500	6,257	87,368	83,185
Other	138,317	88,289	47,152	87,537	185,469	175,826
<b>Total Revenue</b>	<b>5,929,790</b>	<b>4,983,047</b>	<b>3,206,733</b>	<b>3,253,274</b>	<b>9,136,523</b>	<b>8,236,321</b>
<b>EXPENSES</b>						
Employee Expenses	(4,627,418)	(3,977,045)	(2,502,431)	(2,678,080)	(7,129,849)	(6,655,125)
Interest Expense	(45,385)	(14,988)	(125,286)	(177,086)	(170,671)	(192,074)
Depreciation	(329,937)	(320,445)	(178,425)	(215,782)	(508,362)	(536,227)
Other	(1,222,329)	(1,214,375)	(490,345)	(625,668)	(1,712,674)	(1,840,043)
<b>Total Expenses</b>	<b>(6,225,069)</b>	<b>(5,526,852)</b>	<b>(3,296,487)</b>	<b>(3,696,617)</b>	<b>(9,521,556)</b>	<b>(9,223,469)</b>
<b>Net Result from ordinary activities</b>	<b>(295,279)</b>	<b>(543,805)</b>	<b>(89,754)</b>	<b>(443,343)</b>	<b>(385,033)</b>	<b>(987,148)</b>
<b>OTHER INFORMATION</b>						
Current Segment Assets	4,600,493	2,955,548	2,436,192	2,079,522	7,036,685	5,035,070
Non-current Segment Assets	9,810,630	8,449,195	5,195,221	5,944,850	15,005,851	14,394,045
<b>Total Assets</b>	<b>14,411,123</b>	<b>11,404,743</b>	<b>7,631,413</b>	<b>8,024,372</b>	<b>22,042,536</b>	<b>19,429,115</b>
Current Segment Liabilities	10,272,465	7,874,486	1,693,355	1,983,174	11,965,820	9,857,660
Non-current Segment Liabilities	138,870	117,465	73,538	82,649	212,408	200,114
<b>Total Liabilities</b>	<b>10,411,335</b>	<b>7,991,951</b>	<b>1,766,893</b>	<b>2,065,823</b>	<b>12,178,228</b>	<b>10,057,774</b>
Components of segment liabilities included above:						
- Accommodation bond liabilities	7,068,443	5,051,625	0	0	7,068,443	5,051,625
- Interest-Bearing Liabilities	0	0	3,259,750	3,435,410	3,259,750	3,435,410
	<b>7,068,443</b>	<b>5,051,625</b>	<b>3,259,750</b>	<b>3,435,410</b>	<b>10,328,193</b>	<b>8,487,035</b>

**NOTE 19: FINANCIAL RISK MANAGEMENT**

**Financial Risk Management**

Violet Town Bush Nursing Centre Inc.'s principal financial instruments comprise of:

- Short-term Investments
- Term Deposits
- Receivables (excluding statutory receivables)
- Payables (excluding statutory payables)
- Accommodation Bonds
- Bank Loans

The main risks the Association is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and fair value risk.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2017	2016
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents	3,472,884	244,611
Trade and Other Receivables (i)	208,550	239,434
Term Deposits, Managed Funds & Fixed Income Securities - at Fair Value	<u>3,147,090</u>	<u>4,312,831</u>
<b>Total Financial Assets</b>	<b><u>6,828,524</u></b>	<b><u>4,796,876</u></b>
<b>Financial Liabilities</b>		
Financial Liabilities at amortised cost		
Trade & Other Payables (ii)	738,225	486,275
Borrowings	3,259,750	3,435,410
Monies Held in Trust	6,300	4,249
Accommodation Bonds	<u>7,068,443</u>	<u>5,051,625</u>
Total Financial Liabilities	<b><u>11,072,718</u></b>	<b><u>8,977,559</u></b>

Note:

(i) The impairment of receivables is not considered as a financial instrument.

(ii) The amounts disclosed here exclude statutory amounts (e.g. GST input tax credit recoverable and tax payables).

The Committee has overall responsibility for the establishment of the Association's financial risk management framework. The Committee manages the Association's financial instruments to ensure that adequate cash flows are generated to fund the operations of the Association. Management procedures include estimation of cash flows and future cash requirements.

Mitigation strategies for specific risks faced are described below:

**(a) Credit Risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Association and arises principally from the Association's receivables. The Association does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company. At 30 June 2017, the Association does not believe it is exposed to any material credit risk.

**(b) Net Fair Values**

The Association has assessed the fair value of assets and liabilities as at 30 June 2017 and believes there are no differences between the carrying values and fair values of those assets and liabilities.

**NOTE 19: FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Interest Rate Risk**

The Association's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

Interest Rate Exposure of Financial Assets and Liabilities as at 30 June 2017

	Weighted Average Effective Interest Rate (%)	Carrying Amount	Interest Rate Exposure		
			Floating Interest Rate \$	Maturing within 1 Year \$	Non - Interest Bearing \$
<b>2017</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	1.00	3,472,884	3,470,425	0	2,459
Trade Debtors	0.00	208,550	0	0	208,550
Investments	2.41	3,147,090	0	3,147,090	0
<b>Total Financial Assets</b>		<b>6,828,524</b>	<b>3,470,425</b>	<b>3,147,090</b>	<b>211,009</b>
<b>Financial Liabilities</b>					
<i>At amortised cost</i>					
Payables	0.00	738,225	0	0	738,225
Bank Loans	5.50	3,259,750	3,259,750	0	0
Monies Held in Trust	0.00	6,300	0	0	6,300
Accommodation Bonds	0.00	7,068,443	0	0	7,068,443
<b>Total Financial Liabilities</b>		<b>11,072,718</b>	<b>3,259,750</b>	<b>0</b>	<b>7,812,968</b>

Interest Rate Exposure of Financial Assets and Liabilities as at 30 June 2016

	Weighted Average Effective Interest Rate (%)	Carrying Amount	Interest Rate Exposure		
			Floating Interest Rate \$'000	Maturing within 1 Year \$'000	Non - Interest Bearing \$'000
<b>2016</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	1.00	244,611	243,712	0	899
Trade Debtors (i)	0.00	239,434	0	0	239,434
Investments	2.55	4,312,831	0	4,312,831	0
<b>Total Financial Assets</b>		<b>4,796,876</b>	<b>243,712</b>	<b>4,312,831</b>	<b>240,333</b>
<b>Financial Liabilities</b>					
<i>At amortised cost</i>					
Payables (ii)	0.00	486,275	0	0	486,275
Bank Loans	5.50	3,435,410	3,435,410	0	0
Monies Held in Trust	0.00	4,249	0	0	4,249
Accommodation Bonds	0.00	5,051,625	0	0	5,051,625
<b>Total Financial Liabilities</b>		<b>8,977,559</b>	<b>3,435,410</b>	<b>0</b>	<b>5,542,149</b>

Note

(i) The impairment of receivables is not considered as a financial instrument.

(ii) The amounts disclosed here exclude statutory amounts (e.g. GST input tax credit recoverable and tax payables).

**NOTE 19: FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Interest Rate Risk (Continued)**

**Sensitivity Analysis**

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Violet Town Bush Nursing Centre Inc. believes the following movements are 'reasonably possible' over the next 12 months (base rates are sourced from the Reserve Bank of Australia).

- A shift of 100 basis points up and down in market interest rates (AUD) from year-end rates of 2.55%;
- A parallel shift of +1% and -1% in inflation rate from year-end rates of 2%

The following table discloses the impact on net operating result and equity for each category of interest bearing financial instrument held by Violet Town Bush Nursing Centre Inc. at year end as presented to key management personnel, if changes in the relevant risk occur.

	Net Result		Equity	
	100 basis points increase	100 basis points decrease	100 basis points increase	100 basis points decrease
2017 (i)	(66,200)	66,200	(66,200)	66,200
2016 (i)	(45,574)	45,574	(45,574)	45,574

(i) The carrying amount excludes types of statutory financial assets and liabilities (i.e. GST input tax credit and GST payable).

**(d) Liquidity Risk**

Liquidity risk is the risk that the Association would be unable to meet its financial obligations as and when they fall due. At 30 June 2017, the Association does not believe it is exposed to any material liquidity risk.

The following table discloses the contractual maturity analysis for Violet Town Bush Nursing Centre Inc.'s financial liabilities. For interest rates applicable to each class of liability refer to individual notes to the financial statements.

**Maturity analysis of financial liabilities as at 30 June**

	Total Carrying Amount 2017	Total Carrying Amount 2016	Within 1 Year		1 to 5 Years		Over 5 Years	
			2017	2016	2017	2016	2017	2016
			\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>								
Cash and Cash Equivalents	3,472,884	244,611	3,472,884	244,611	0	0	0	0
Receivables (i)	208,550	239,434	208,550	239,434	0	0	0	0
Investments	3,147,090	4,312,831	3,147,090	4,312,831	0	0	0	0
<b>Total Financial Assets</b>	<b>6,828,524</b>	<b>4,796,876</b>	<b>6,828,524</b>	<b>4,796,876</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financial Liabilities</b>								
<i>At amortised cost</i>								
Accounts Payable and Other Payables (ii)	738,225	486,275	738,225	486,275	0	0	0	0
Borrowings	3,259,750	3,435,410	3,259,750	3,435,410	0	0	0	0
Accommodation Bonds	7,068,443	5,051,625	7,068,443	5,051,625	0	0	0	0
Monies held in trust	6,300	4,249	6,300	4,249	0	0	0	0
<b>Total Financial Liabilities</b>	<b>11,072,718</b>	<b>8,977,559</b>	<b>11,072,718</b>	<b>8,977,559</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

(i) The impairment of receivables is not considered as a financial instrument.

(ii) The amounts disclosed here exclude statutory amounts (e.g. GST input tax credit recoverable and tax payables).

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the balance sheet due to the effect of discounting.

The timing of expected outflows is not expected to be materially different from contracted cashflows.

**NOTE 20: RESPONSIBLE PERSON DISCLOSURES**

The following disclosures are made regarding responsible persons for the reporting period.

**Committee Members**

	Period
Mr N. Palmer	01/07/2016 - 30/06/2017
Mrs F. Whitewood	01/07/2016 - 30/06/2017
Mr J. Hawkes	01/07/2016 - 30/06/2017
Mr H. Myers	01/07/2016 - 14/11/2016
Mrs A. Bynes	01/07/2016 - 30/06/2017
Mrs K. Garrett	01/07/2016 - 30/06/2017
Ms I. Gilliland	01/07/2016 - 30/06/2017
Mr J. Dunn	01/07/2016 - 14/11/2016
Mr D. Staff	14/11/2016 - 30/06/2017
Mr L. Biddle	30/01/2017 - 30/06/2017

**Accountable Officers**

Mr B. Hobbs	01/07/2016 - 30/06/2017
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**Remuneration of Responsible Persons**

Remuneration received or receivable by responsible persons was in the range: \$130,000 - \$139,999 (\$120,000 - 129,999 in 2015-16).

Refer to Note 20(a) for further analysis of remuneration and transactions with Key Management Personnel.

**NOTE 20(a): RELATED PARTY TRANSACTIONS**

Any person(s) having responsibility and authority for planning, directing and controlling the activities of the Association, directly or indirectly, including the Members of the Committee, is considered Key Management Personnel.

**Key Management Personnel Compensation**

Compensation	2017 \$
Short term employee benefits	127,249
Post-employment benefits	6,568
Other long-term benefits	1,489
Termination benefits	-
<b>Total</b>	<b>135,306</b>

**Other Transactions of Responsible Persons and their Related Parties**

No other responsible person or their related parties received any remuneration or retirement benefits during the year.

**NOTE 21: REMUNERATION OF AUDITORS**

Remuneration of the auditors of the Association for:

- Auditing the Financial Report

2017 \$	2016 \$
10,200	14,000
<b>10,200</b>	<b>14,000</b>

**NOTE 22: COMMITMENTS FOR EXPENDITURE**

There are no known capital commitments as at the date of this report.

**Lease Commitments**

Commitments in relation to leases contracted for at the reporting date:

Operating Leases

**Total Lease Commitments**

2017 \$	2016 \$
23,642	34,338
<b>23,642</b>	<b>34,338</b>

**Operating leases**

Kitchen and administration equipment leased over a 5 year term:

Payable:

Less than 1 year

Longer than 1 year but not longer than 5 years

**Total Operating Lease Commitments**

10,696	10,696
12,946	23,642
<b>23,642</b>	<b>34,338</b>

**NOTE 23: CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

There are no known contingent assets or contingent liabilities for Violet Town Bush Nursing Centre Inc. as at the date of this report.

**NOTE 24: EVENTS AFTER THE BALANCE SHEET DATE**

Since 30 June 2017, there have been no events that would materially effect the Financial Statements at balance date.

**NOTE 25: ASSOCIATION DETAILS**

The principle place of business of the association is:

Violet Town Bush Nursing Centre Inc  
Cowslip Street  
Violet Town VIC 3699

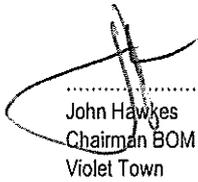
VIOLET TOWN BUSH NURSING CENTRE INC

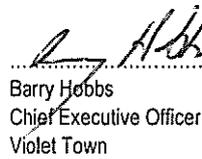
STATEMENT BY MEMBERS OF THE COMMITTEE

In the opinion of the committee the financial report as set out in preceding pages:

1. Presents a true and fair view of the financial position of Violet Town Bush Nursing Centre Inc as at 30 June 2017 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Association Incorporation Reform Act (VIC) 2012*.
2. At the date of this statement, there are reasonable grounds to believe that Violet Town Bush Nursing Centre Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

  
.....  
John Hawkes  
Chairman BOM  
Violet Town

  
.....  
Barry Hobbs  
Chief Executive Officer  
Violet Town

Dated this 16<sup>th</sup> day of October 2017

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF VIOLET TOWN BUSH NURSING CENTRE INC.**

**Opinion**

We have audited the financial report of Violet Town Bush Nursing Centre Inc. (the entity), which comprises the balance sheet as at 30 June 2017, the comprehensive operating statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and statement by members of the committee.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the entity as at 30 June 2017, and its financial performance and its cash flows for the year then ended in accordance with the financial reporting requirements of the *Associations Incorporation Reform Act (VIC) 2012*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Emphasis of Matter – Going Concern**

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the entity incurred a net operating surplus of \$870 before depreciation during the year ended 30 June 2017 and, as of that date; the entity's current liabilities exceeded its current assets, after excluding amounts held in trust and accommodation bond balances. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore, the entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

**Responsibilities of Management and Those Charged with Governance for the Financial Report**

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Associations Incorporation Reform Act (VIC) 2012* and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Independence**

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

McLaren Hunt  
**MCLAREN HUNT**  
**AUDIT AND ASSURANCE**

  
**N.L. MCLEAN**  
**PARTNER**

Dated at Warrnambool; 17 October 2017.





Honeysuckle  
Regional Health

#### Violet Town Campus

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Fax 03 5798 1675  
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Bendigo 3550 Victoria  
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