

## **Finance Report**

### **SEAVIEW HOUSE RESIDENTIAL CARE INC.**

#### **INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2014**

	<b>Notes</b>	<b>2014</b>	<b>2013</b>
		<b>\$</b>	<b>\$</b>
Sales revenue		606,112	169,901
Other revenue		38,854	1,654
Trading table sales		850	0
		<hr/>	<hr/>
		645,816	171,555
Depreciation and amortisation expenses		(2,284)	(6,110)
Employee benefits expenses		(474,373)	(140,883)
Lease expenses		(141,053)	(25,000)
Other expenses		(189,891)	(63,211)
		<hr/>	<hr/>
		(807,601)	(235,204)
Operating profit / (loss)		(161,785)	(63,649)
<b>Abnormal items</b>			
Donations		11,877	220,110
Interest		13,494	0
		<hr/>	<hr/>
<b>Profit attributable to members</b>		<b>(136,414)</b>	<b>156,461</b>

**SEAVIEW HOUSE RESIDENTIAL CARE INC.****ASSETS AND LIABILITIES STATEMENT  
AS AT 30 JUNE 2014**

	Notes	2014 \$	2013 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	221,182	330,981
Trade and other receivables	3	21,440	10,462
Intangibles	4	206	206
<b>TOTAL CURRENT ASSETS</b>		<b>242,828</b>	<b>341,649</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	8,039	7,267
Intangibles	4	533	740
<b>TOTAL NON-CURRENT ASSETS</b>		<b>8,572</b>	<b>8,007</b>
<b>TOTAL ASSETS</b>		<b>251,400</b>	<b>349,656</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	100,921	31,541
Provisions	7	15,432	6,654
<b>TOTAL CURRENT LIABILITIES</b>		<b>116,353</b>	<b>38,195</b>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities	8	115,000	155,000
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>115,000</b>	<b>155,000</b>
<b>TOTAL LIABILITIES</b>		<b>231,353</b>	<b>193,195</b>
<b>NET ASSETS</b>		<b>20,047</b>	<b>156,461</b>
<b>MEMBERS' FUNDS</b>			
Accumulated surplus	9	20,047	156,461
<b>TOTAL MEMBERS' FUNDS</b>		<b>20,047</b>	<b>156,461</b>

**SEAVIEW HOUSE RESIDENTIAL CARE INC.**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2014**

	Notes	2014 \$	2013 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from activities		648,332	162,381
Payments to suppliers and employees		(727,158)	(198,801)
Donations and bequests		11,877	220,110
Net cash provided by operating activities	10	<u>(66,949)</u>	<u>183,690</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchases of equipment		<u>(2,850)</u>	<u>(7,709)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings / Repayments from borrowings		<u>(40,000)</u>	<u>155,000</u>
Net increase/(decrease) in cash held		(109,799)	330,981
Cash at beginning of financial year		330,981	0
Cash at end of financial year	2	<u>221,182</u>	<u>330,981</u>

**SEAVIEW HOUSE RESIDENTIAL CARE INC.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

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

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act of Victoria. The committee has determined that the association is not a reporting entity and that the accounting policies adopted are appropriate to meet the needs of the members. The financial report does not comply with International Financial Reporting Standards.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

**(a) Income Tax**

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

**(b) Fixed Assets**

Depreciation is calculated using the prime cost value method, on all plant, equipment, furniture and fittings and buildings based on the expected useful life.

**(c) Leases**

Lease payments for operating leases where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**(d) Financial Instruments**

Non-current investments are measured on the cost basis. The carrying amount of investments is reviewed annually by directors' to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for shares in listed companies or the underlying net assets for other non-listed corporations. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

**(e) Employee Benefits**

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Contributions are made by the association to an employee superannuation fund and are charged as expenses when incurred.

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES cont.....**

**(f) Provisions**

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

Provisions are measured at the best estimate of the amounts required to settle the obligation at reporting date.

**(g) Cash and Cash Equivalents**

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

**(h) Going Concern**

The financial report has been prepared on a going concern basis. The committee believe that the future viability of the entity is dependent on:

- 1) Continued financial support from the community through donations, and
- 2) The entity achieving break-even level of bed / resident capacity. The entity is currently operating below the break-even capacity of 45 residents. The entity is currently renegotiating its rent agreement with its landlord Portland District Health to reduce its rent expense until such time that the entity achieves break-even point.

**(i) Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Revenue from sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Other revenue is recognised when the right to receive the revenue has been established.

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

**(j) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(k) Comparative Figures**

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

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES cont.....**

**(l) Change in Accounting Policy**

The association has not changed its accounting policy in the 2014 financial year.

**(m) Events after Balance Date**

The Board is not aware of any events, which have occurred subsequent to balance date, which would materially affect the Financial Statements as at 30 June 2014.

**(n) Disclosure of Interest in a Contract**

No member of the Board has any direct or indirect pecuniary interest in a contract, or proposed contract other than if salaries are paid, which are paid on normal commercial terms and conditions no more favourable than those available to other parties.

**(o) Related Party Transactions**

The association did not enter into any contracts with related parties.

**(p) Contingent Liabilities**

The Association is not aware of any contingent liabilities as at 30 June 2014, nor have any liens, guarantees or security been provided by the Association to third parties.

	Note	2014 \$	2013 \$
<b>NOTE 2: CASH AND CASH EQUIVALENTS</b>			
Cash on hand		263	105
Operating account		35,984	69,824
Term deposit		43,757	120,000
Lease guarantee		140,000	140,000
Visa debit card		168	52
Charitable donations account		1,010	1,000
		<b>221,182</b>	<b>330,981</b>
<b>NOTE 3: TRADE AND OTHER RECEIVABLES</b>			
CURRENT			
Trade receivables		11,282	4,710
GST receivable		10,158	5,752
		<b>21,440</b>	<b>10,462</b>
<b>NOTE 4: INTANGIBLES</b>			
CURRENT			
Borrowing costs - Lease guarantee		206	206
		<b>206</b>	<b>206</b>
NON-CURRENT			
Borrowing costs - Lease guarantee		533	740
		<b>533</b>	<b>740</b>
<b>NOTE 5: PROPERTY, PLANT AND EQUIPMENT</b>			
<b>PLANT AND EQUIPMENT</b>			
(a) Plant & equipment at written down value		8,039	7,267
		<b>8,039</b>	<b>7,267</b>
<b>NOTE 6: TRADE AND OTHER PAYABLES</b>			
CURRENT			
Unsecured liabilities			
Trade payables		75,444	16,183
PAYG withholding		10,851	5,414
Wages owing		120	120
Superannuation payable		3,454	2,621
Accrued wages		10,140	6,609
Accrued superannuation		912	594
		<b>100,921</b>	<b>31,541</b>

**NOTE 7: PROVISIONS**

CURRENT

Provision for annual leave	15,432	6,654
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**NOTE 8: FINANCIAL LIABILITIES**

NON-CURRENT

Lease guarantee loans	115,000	155,000
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**NOTE 9: MEMBERS' FUNDS**

Total members' funds at the beginning of the financial year	156,461	
Total changes in members' funds recognised in the income statement	(136,414)	156,461
Total members' funds at the end of the financial year	20,047	156,461

**NOTE 10: CASH FLOW INFORMATION**

Reconciliation of cash flow from operations with profit		
Surplus (Deficit) from operating activities	(136,414)	156,461
Non-cash flows in profit		
Depreciation	2,284	442
Profit/Loss on sale of plant and equipment		
Changes in assets and liabilities		
(Increase)/decrease in receivables	(10,978)	(4,710)
(Increase)/decrease in other assets	0	(6,698)
Increase/(decrease) in payables	69,381	124,338
Increase/(decrease) in provisions	8,778	13,857
Cash flows from operations	(66,949)	183,690



**SEAVIEW HOUSE RESIDENTIAL CARE INC.****INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2014**

	2014 \$	2013 \$
<b>INCOME</b>		
Permanent residents fees	488,575	139,421
Respite residents fees	117,537	30,480
Rebates	38,854	1,654
Trading table sales	850	0
Interest	13,494	0
<b>TOTAL INCOME</b>	<b>659,310</b>	<b>171,555</b>
<b>LESS EXPENSES</b>		
Advertising & marketing	4,548	4,590
Bank charges	2,030	75
Borrowing expenses	206	86
Chemist & medical	449	145
Cleaning	1,962	2,974
Computer expenses	647	317
Depreciation	2,078	442
Formation costs		5,582
Insurance	17,879	7,991
Kitchen replacements	1,844	755
Linen & Toiletry replacements	5,960	
Light & power	38,429	10,311
Meal & food	57,024	14,183
Permits, licences & fees	1,154	286
Printing and stationery	4,416	1,357
Professional fees	9,021	2,025
Rent	141,053	25,000
Repairs & maintenance	24,518	7,930
Salaries & wages	413,671	120,155
Provision for annual leave	8,779	6,654
Security costs	3,026	1,063
Staff training	1,700	3,359
Superannuation contributions	37,660	10,715
Telephone	5,039	2,015
Travelling expenses		564
Uniforms	424	1,283
Waste disposal	11,522	2,631

Workers insurance	<u>12,562</u>	<u>2,715</u>
<b>TOTAL EXPENSES</b>	<u>807,601</u>	<u>235,203</u>
<b>OPERATING PROFIT /(LOSS)</b>	<u>(148,291)</u>	<u>(63,648)</u>
<b>ADNORMAL INCOME</b>		
Donations & bequests	<u>11,877</u>	<u>220,110</u>
<b>PROFIT ATTRIBUTABLE TO MEMBERS</b>	<u>(136,414)</u>	<u>156,461</u>