

HarbisonCare

ANNUAL REPORT

2016/17





OUR MISSION

TO MAINTAIN THE MEANING AND PURPOSE
IN THE LIVES OF OUR RESIDENTS WHILST
RESPECTING THEIR UNIQUE BACKGROUNDS.

HarbisonCare is

The largest and most comprehensive provider of
aged care services in the Southern Highlands with
locations at Moss Vale and Burradoo

An aged care provider with a history of more than
60 years in the district

One of the largest employers in the Southern
Highlands with over 350 staff

Community Owned

A public benevolent institution endorsed as a
deductible gift recipient by the Australian Tax Office





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CHAIRMAN'S MESSAGE

2016/17

I AM PLEASED TO PRESENT THE
2016/17 ANNUAL REPORT.

The Board of HarbisonCare is delighted to report a surplus of \$74,532 despite a difficult year whereby the Commonwealth Government has reduced funding to the Aged Care Industry. The Government has implemented a Policy decision to reduce funding available to providers through the Aged Care Funding Instrument (ACFI) by \$1.2B.



As a result Harbison has pursued operational efficiencies through the continued introduction of technology and development of our staff. HarbisonCare continues to adopt a model of social responsibility balanced with the need to record a financially strong position.

GRADUATE PROGRAM

Harbison has continued with its Graduate Program introduced in 2015/16. This year's program involved six recently registered Nurses and Endorsed Enrolled Nurse graduates. Seven candidates from the initial program graduated in early 2017. The program operates in conjunction with the Southern Highlands Private Hospital and the Bowral Public Hospital, and provides an opportunity for graduates to develop a career in aged care whilst developing skills in acute and sub-acute nursing.

It is pleasing to report that Harbison was awarded a Better Practice Award by the Quality Agency for the Graduate Program, the first time Harbison has been presented with such an award.

BURRADOO



The Board is committed to the continuing upgrade of the organisation's facilities at Burradoo.

The redevelopment of the Burradoo site will incorporate the construction of the "Cottages", a low care dementia facility that will form part of the Living Village concept for the site.

MOSS VALE

The financial viability of Moss Vale continues to be a challenge. However the high level of service being provided to our residents is not being compromised. Considerable progress has been made with improvement in operational efficiency to offset the decline in ACFI payments.



ACCREDITATION OF OUR FACILITIES

During the year the auditors from the Quality Accreditation Agency visited our locations and, on all occasions, compliance to the Quality Standards was received.

THE RESIDENTS

I would like to thank our residents and their families for choosing HarbisonCare. The Board and staff appreciate the opportunity to serve our residents and ensure a safe and caring environment.

THANK YOU

I would like to acknowledge the support of our local community who support the organization that provides care to the residents of the Southern Highlands.

I would also like to thank the staff, volunteers, residents and the community for the support given to the organization. Lastly I would like to thank my board of directors for their commitment and dedication to making HarbisonCare a provider of excellence.

Henk den Hertog

Chairman of the Board of Directors



DON ROSS, CEO

2016/17 AND BEYOND

WELCOME TO THE 2016/17 HARBISONCARE ANNUAL REPORT.

I am pleased to report that HarbisonCare recorded another successful year with the introduction of new initiatives and the continuation of programs designed to make our organisation the leading provider of aged care in the Southern Highlands.



HarbisonCare is a community owned charity providing aged and dementia care and accommodation to more than 350 residents. HarbisonCare is also a registered NDIS Provider and works with Southern Highlands Home Care to provide care and support to members of the community in their own homes.

HarbisonCare operates from two sites in Burradoo and Moss Vale. Our first home for the elderly, Cullen House, opened at Burradoo in 1959 and is still in use almost 60 years later. Our Moss Vale facility opened in 1997. Over the years both locations have grown so that we are the largest and most comprehensive aged care organisation in the Southern Highlands.

ACCOMMODATION		BURRADOO	MOSS VALE	TOTAL
	Independent Living Units	43	0	43
	Hostel	93	52	145
	Nursing Home	78	54	132
	Memory Care	0	32	32
	TOTAL			352

2016/17 saw continuing changes in demand for services, increasing competition, ongoing aged care reform by the Commonwealth Government, new possibilities from advances in technology, and challenges in attracting, training and retaining a new generation of staff.

Revenue for the year decreased as a result of the Government's policy to reduce funding to aged care by \$1.2 billion. The payment received for providing resident care was \$23,509,919 which is a decrease of \$498,039 compared to 2015/16: \$24,007,958. However, the Commonwealth Government still required the organisation to provide the same level and standard of care regardless of the decrease in payment. Other income decreased as a result of reduced rental from the independent living units and a reduction in donations.

HarbisonCare is well placed to meet growing demand for aged care accommodation and services in the Southern Highlands, but recognises the need for a strategic response to these ongoing changes. For this reason we will begin in late 2017 the redevelopment of Burradoo in accordance with a masterplan that includes premium dementia cottages, assisted living retirement units, additional nursing home capacity, and a replacement of our ageing hostel accommodation.

This project will make HarbisonCare Burradoo the most advanced aged care option in the Southern Highlands. The new accommodation will be developed in conjunction with new models of care, giving the elderly in our community unprecedented choice and the potential for a



seamless transition to higher complex care if the need arises. At the heart of the Burradoo redevelopment will be a Living Village, including shops, an expanded wellness centre that includes a hydrotherapy pool and rehabilitation services, and more spaces to socialise and remain connected with family, friends and our community.

While the redevelopment is underway HarbisonCare is committed to minimising disruption to our residents, staff and the community and will maintain the same focus on continuous improvement seen throughout the 2016/17 year.

CATERING, MAINTENANCE, CLEANING AND LAUNDRY SERVICES

HarbisonCare is committed to being a leader in aged care catering. Our catering team continues to explore new ways of providing fresh, nutritious, beautifully presented, local, seasonal, home-style meals to our residents.



This year our Head Cook, Elaine Law, was one of only 30 cooks and chefs across Australia selected to participate in the Maggie Beer Foundation “*Creating An Appetite For Life*” aged care workshop in the Barossa Valley.

The 3 day workshop brought together aged care industry experts and a group of engaged and passionate cooks to share the latest best-practice thinking on cooking for the elderly. Elaine’s experience will benefit the entire organisation as these new ideas are implemented throughout the year.

Plans are underway to introduce new menu and dining room management systems in 2017/18 which will not only improve meal quality but introduce more choice and flexibility for our residents.

In the lead up to the introduction of these systems we have improved our supply chain by forging new relationships with local, restaurant-quality providers such as Jamberoo Mountain Farm, Pheasants Nest Produce, Mauger’s Meats, Southern Rise Bakery, Stones Patisserie and Bowral Wholesale. These suppliers join existing long term suppliers such as Oxley Butchery and reinforce our commitment to lasting local supplier relationships.

The annual NSW Food Authority audit again resulted in the highest ‘A’ rating for both facilities. Subsequent to the annual audit we augmented our Food Safety Program with the implementation of a Monika PathFinder wireless temperature monitoring system.

The Monika PathFinder system streamlines HarbisonCare’s safety monitoring by introducing 24/7 real time monitoring of all food and medication fridges at our facilities. The system provides staff with timely reminders, alerts and alarms and provides data to management in the form of detailed compliance reports.

Further improvements in our Food Safety Program will be delivered in 2017/18 as we implement the Monika TaskMinder system, which tracks and documents critical food safety checks and tasks.

An upgrade of the Burradoo Hostel Dining Room is under way which will provide residents with a revitalised space in which to enjoy their meals and socialise. The new HarbisonCare catering uniform has been well received by staff and residents, and signals our commitment to a professional food service culture.



At Moss Vale five dining room dishwashers are being upgraded with state of the art Miele professional units that provide residents with improved hygiene and faster, quieter washing cycles. These upgrades coincide with the planned introduction of a new set of attractive, age and dementia friendly crockery in every HarbisonCare dining room.

The maintenance and laundry departments have continued to deliver a broad range of daily services to our residents. In addition to preventative and corrective maintenance programs, the maintenance department has been involved in continuous improvement projects such as the replacement of the security screen doors and the upgrade of the fire safety system in the Burradoo Hostel.

Cleaning at HarbisonCare continues to be provided by specialist contractor Medclean.

LEISURE INTERESTS AND ACTIVITIES

Our recreation team arranges a range of physical, social, spiritual and cognitively stimulating activities and emotional support for our residents. A dedicated team of volunteers assist with the diversional therapy programs, as well as providing companionship for residents. The volunteers are integral to the activities programs and without their assistance HarbisonCare would not be able to provide such a comprehensive service to our residents.

Community groups, such as local choirs and musicians, as well as visiting businesses who provide for shopping on-site, promote connection with our community. Local school students also visit residents regularly during term to provide an intergenerational connection.

Activities this year included the Tulip Time Parade in Bowral and Australia Day celebrations in Berrima, themed activities, special cultural days and BBQs.

Resident art is displayed in activities and dining rooms at Burradoo and in the activities room and foyer at Moss Vale. The paintings have also been made into cards which are for sale at both locations.

Bus trips included destinations such as the Gerroa Fisherman's Club, Towradgi Bowling Club, Kiama, Nowra, and Goulburn.

Carpet bowls and darts competitions were held between Moss Vale and Burradoo residents. These are always hard fought games that are taken quite seriously but also bring a bit of fun.



We have continued our focus on the power of music this year with our roll out of iPods with individualised playlists to residents living with dementia. Our membership of the Music & Memory Program run by The Arts Health Institute continues. The time-intensive set up and roll out of iPods is progressing well and now includes residents at Burradoo. Feedback from residents, family and staff regarding this program has been very positive, with great outcomes for residents being observed. We thank Rotary for their invaluable support of this program.



The Joy Boys, our male choir from the Burradoo Hostel, was a big hit at the graduation ceremony of our Graduate Nurse Program in early 2017.

Intergenerational programs remain a high priority for our activities programs. A local pre-school visits our Burradoo nursing home on a regular basis, as do Year 6 students from St Thomas Aquinas School. Students from Chevalier College visit for shuffleboard challenges in the Burradoo hostel. At Moss Vale, St Paul's Primary School students have been visiting each term and challenging residents to bingo games and quizzes. There is certainly a healthy sense of competition but also genuine respect and care for each other. Residents enjoy sharing stories with the students and much learning happens for the students as well as the residents.

A new Social Justice Program with Chevalier College was established this year. Students visit a resident for a period of time to interview them so they can compile the resident's life story. The program concludes with a presentation of the life stories at Chevalier College. These types of programs are mutually beneficial to both the residents and students, and the relationships developed often continue long after the program has finished. We sincerely thank the schools concerned for their willingness to engage and be involved with our residents.

HarbisonCare is also pleased to provide a home for several community organisations at Burradoo: Australian Red Cross Bowral, Southern Highlands Computer Users Group, and Woodies woodworking club.

CULTURAL AND SPIRITUAL LIFE

HarbisonCare continues to offer its Pastoral and Chaplaincy services at both locations. Weekly services are conducted in the chapels in a wide variety of styles based on a variety of denominations. Special services are also conducted at Christmas and Easter, and on ANZAC and Remembrance days.

Our Chaplain conducts weekly Bible study at Burradoo with a dedicated core group of residents. The Chaplain is actively involved in our diversional therapy program, augmenting the activities staff to maximise the social, emotional and spiritual well-being of our residents.

Our Chaplain also provides individual pastoral support to residents, creating opportunities to reconnect them to their faith community, manages volunteer teams from the community

and Capernwray Bible College, and personally visits each resident.

HarbisonCare is a member of Meaningful Ageing Australia, a national peak body for spiritual aged care whose mission is to enable access to high quality pastoral and spiritual care for older Australians. They provide additional resources such as the National Guidelines for Spiritual Care in Aged Care which have been adopted by HarbisonCare.

Our Chaplain is accredited by Spiritual Care Australia who sets professional standards and provides ongoing support and development for Chaplains across the country.

INNOVATION

HarbisonCare continues to augment our skilled workforce with technology, particularly in relation to information systems. Our core clinical system, LeeCare, enables staff to immediately access and update resident information in real time. Our medication system allows doctors to prescribe medication remotely.

This year our eLearning systems have been upgraded from H1 to Quintil, and we have trialled iPads for all staff in the Burradoo Hostel. We have developed new strategies in relation to cyber security and business continuity, and introduced an SMS based messaging system to keep families informed of critical events.

Technology will provide new and unexpected opportunities in aged care in the years to come, and successfully adapting to these opportunities will be a key factor in making HarbisonCare the best place to age and work in the Southern Highlands.

EDUCATION, STAFF DEVELOPMENT & HUMAN RESOURCE MANAGEMENT

Workforce planning is a key priority for management and I am pleased to report that we graduated our first intake from our Graduate Nurse Program in early 2017. The second intake will graduate in early 2018. In addition to the positive feedback from candidates, our training partners and residents, the Australian Government has recognised the success of this unique program with a Better Practice Award from the Australian Aged Care Quality Agency. This is the first time HarbisonCare has received a Better Practice Award, and we can't think of a better way to validate this innovative new approach to the development of our nursing team.



Competition for excellent staff is likely to increase as the aged care industry continues through the current growth phase. Employees of HarbisonCare received a 3% wage increase in July 2016 in accordance with our Enterprise Agreement. A new Enterprise Agreement which will provide for further increases over time is expected to be implemented by late 2017.

Like all registered charities HarbisonCare must comply with the *Equal Opportunity for Women in the Workplace Act 1999*. I'm pleased to report that the agency responsible for the Act has confirmed that we have again met our statutory responsibilities. HarbisonCare will continue to promote workplace flexibility in support of an appropriate work/life balance for our employees.

REGULATORY COMPLIANCE

Aged care is heavily regulated and I am pleased to report that HarbisonCare continues to comply with all relevant regulations and requirements. The Australian Aged Care Quality Agency accredits all government subsidised aged care homes and monitors quality and compliance across the sector. During the year our homes were successfully audited and inspected.

The Aged Care Complaints Commissioner has been established by the Australian Government to provide a free service for anyone to raise any concerns about the quality of care or services being delivered to people receiving aged care services. HarbisonCare is committed to responding to any formal complaints promptly and transparently. I'm pleased to report that no formal complaints were received this year.

The Australian Department of Health regularly reviews our ACFI funding and I'm pleased to report that no major issues were identified by the Department during the year. We are continuously improving our systems to support this critical source of revenue in order to maintain our ability to provide our residents with the most appropriate level of care. Internal audits, system upgrades, and ongoing internal and external staff training support the integrity of our ongoing entitlement to government support.

KPMG have independently audited our financial accounts again this year. The audit report and accounts have been presented to the Risk and Audit Committee and the Board for acceptance, a copy of which is included in the financial section of this report for circulation to our Members.

All staff and volunteers at HarbisonCare are subjected to a National Criminal History Check

every three years to ensure the safety and security of our residents, their families and our staff.

OCCUPATIONAL HEALTH AND SAFETY

HarbisonCare has a goal of zero work related injuries. Our Return to Work Program and the Work Health & Safety Committee serve to make our workplace as safe as possible, and ensure that employees who suffer workplace related injury are cared for, provided with necessary treatment, and supported with a structured, holistic care plan to achieve the goal of returning to work and pre-injury duties as quickly as possible.

CLINICAL STANDARDS

Associate Vince Roche chairs a volunteer Medical Advisory Committee comprised of local doctors, pharmacists and health professionals. The Committee provides advice and guidance to our clinical staff in support of the highest standards of clinical care for our residents. We thank the members of the Committee for their ongoing dedication to HarbisonCare.

Our internal Clinical Care Committee is responsible for a range of measures to ensure the highest clinical standards, including staff training and competency, clinical audits, incident management, clinical risk management, quality assurance and continuous improvement, performance benchmarking, best practice implementation and compliance.

BOARD

I thank the HarbisonCare Board of Directors who serve their community by volunteering so much of their time, experience and knowledge to our organisation. I have informed the Board that I intend to retire in 2017/18 and will relinquish my position as Chief Executive Officer and resign from HarbisonCare. I wish the Board and staff every success as HarbisonCare embarks on an exciting growth phase for which the past five years have laid a strong foundation.

Don Ross¹

Chief Executive Officer

¹ CEO since March 2012; Stepped down 11 September 2017. Replaced by David Cochran.



BOARD OF DIRECTORS

HENK DEN HERTOOG CHAIR

BBus, MTax, CPA, GAICD

Director since September 2008

Chairman since October 2016

Member of the Redevelopment, Risk & Audit, Governance and Art Committees



DAVID CUMMINS OAM DIRECTOR

LLB (Sydney)

Solicitor

Director since August 1989

Member of the Redevelopment Committee



CAMPBELL MACBEAN DEPUTY CHAIR / DIRECTOR

Reg Psych BA, Grad and Post Grad Dip Psych, MAICD

Registered Psychologist in private practice

Director since November 2011

Deputy Chair

Chair of the Governance Committee

DOUG DRYSDALE DIRECTOR

Dip Law (SAB)

Licensed Real Estate Agent

Director since July 2011

Chair of the Redevelopment Committee



CHRISTOPHER MARTIN DIRECTOR

Graduate of Australian Institute of Company Directors, Master of Commerce (Valuation), Graduate Diploma in Property Investment, Advanced Certificate in Real Estate, Licensed Real Estate Agent (NSW)

Director since February 2017

Member of the Redevelopment and Risk & Audit Committees

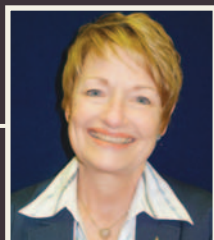
JAN EDWARDS DIRECTOR

BA (Statistics/Psychology), MBA (Finance), CA, CPA, GAICD,

CEO, BDCU Alliance Bank

Director since June 2004

Chair of the Risk & Audit Committee



TANYA SCHILLER DIRECTOR

BCommerce (Accounting), Diploma of Credit Management, CA

Director since February 2017

Member of the Risk & Audit and Governance Committees

JENNY HARPER DIRECTOR

Registered Nurse, Graduate Certificate Intensive Care, M.Mgt (Health)

CEO, Southern Highlands Private Hospital & Cancer Centre

Director since November 2004

Member of the Redevelopment Committee



ASSOCIATE PROFESSOR MARK WILSON DIRECTOR

MBBS, MPH (Honours), FRACGP, FARGP

Director since July 2011

Member of the Governance Committee



CORPORATE GOVERNANCE

Corporate Governance is a primary responsibility of the Board and has been defined to incorporate:

- Developing best-practice policies in the areas of:
 - Board performance management
 - Business performance management
 - General business conduct
 - Business continuity planning
 - Management and Board conflict of interest.
- Ensuring the strategy for the organisation is:
 - Consistent with the stated mission and values of HarbisonCare
 - Properly documented and updated
 - Including benchmarks and performance measures to assist in the assessment of progress
 - Routinely monitored at Board level.
- Ensuring the market relevance of the organisation is managed, monitored and assessed.
- Maintaining continuity and capacity through its work in managing the:
 - Board skills requirements as set by the Board
 - Board continuity and succession plan
 - Board training and assessment program.
- Monitoring the Impact of Significant Events on the long-term wherewithal of the business.
- Development and custody of policies to provide direction on values, corporate structures and processes, confidentiality and disclosures of interest.

HarbisonCare's directors and management are committed to conducting the company's business ethically and in accordance with high standards of corporate governance.

BOARD CHARTER

The HarbisonCare Board Charter aims to clarify and delineate authority and responsibility for HarbisonCare's overall governance, strategic direction and operations. It does so, firstly, by describing what the Board reserves for itself², and secondly by setting out key expectations on how the Board and Chief Executive Officer interact.

CODE OF ETHICS

HarbisonCare acknowledges the need for directors, executives and employees to observe high ethical standards of behaviour. The company has adopted a code of ethics. The code provides guidance on what is acceptable behaviour, and specifically requires that all directors, executives and employees maintain the highest standards of honesty and integrity.



² This is supplemented by the Board's delegation policy and the CEO's job description.



INTEGRITY OF REPORTING

The company has controls in place at the corporate and operational levels that are designed to safeguard the company's interests and ensure the integrity of its reporting. These include accounting, financial reporting, health and safety, and other internal control policies and procedures, which are in place to ensure that the company complies with regulatory requirements and community standards.

Comprehensive practices have been adopted to ensure:

- Appropriate delegation for capital and non-capital expenditure;
- Prudential management of the company's investments and liquidity requirements;
- Health and safety systems monitoring to achieve high standards of performance and compliance; and
- Effective business transactions, authorisation and execution.

The company's financial accounts are subject to an annual audit by an independent, professional auditor. Currently our external auditor is KPMG. The Risk and Audit Committee oversees this process on behalf of the Board.

ROLE OF THE BOARD

The governance priorities of the Board are to:

- Comply with all relevant laws and regulations;
- Maintain financial viability;
- Report in an open and transparent manner on our performance to the wider community;
- Engage with stakeholders on our strategic intent;
- Improve performance across all areas of the organisation by establishing appropriate objectives and key performance indicators;
- Act on complaints; and
- Reflect on its performance and make changes where necessary.

The Board monitors the business of the company on behalf of members and is responsible for the company's overall corporate governance.

The Board responsibilities include:

- Appointing a Chief Executive Officer and succession planning;
- Developing and approving the strategic plan;
- Monitoring management's control of risk;
- Approving business plans and budgets;
- Approving major capital expenditure;
- Approving capital raising; and
- Agreeing to corporate goals and reviewing performance against approved plans.

The Chief Executive Officer is responsible for managing, directing and promoting the operation and development of the company, consistent with its objectives.

COMPOSITION

The Board considers that its structure, size, focus, experience and use of committees enable it to operate effectively and add value to the company.

At 30 June 2017 the HarbisonCare Board comprised nine non-executive directors, including the Chairman. Details of directors' qualifications and experience are included on page 10.

The composition of the Board seeks to ensure:

- Continued depth of knowledge of and expertise in the business across the members of the Board; and
- Input of new ideas and perspectives to the Board through a managed introduction of new Board members.

SELECTION & APPOINTMENT OF DIRECTORS

The directors are conscious of the need to ensure that Board members possess the diversity of skill and experience required to fulfil the obligations of the Board. In considering membership of the Board, directors take into account the characteristics needed to maximise its effectiveness and the blend of skills, knowledge and experience necessary for the present and future needs of the company.

Directors are subject to member re-election by rotation at least every three years. Orientation and ongoing training is offered to all directors.

BOARD MEETINGS

There were 11 scheduled meetings of the Board in 2016/17. Directors attend additional meetings as the business of the company may require. Directors receive comprehensive Board Papers in advance of meetings. Additionally,





separate meetings are held to review business plans and company strategy.

Directors also attend company events and meet with both residents and employees.

ACCESS TO INFORMATION

Each director has the right of access to all relevant company information. Pursuant to a deed executed by the company and each director, a director also has the right to have access to such documents for a term of seven years after ceasing to be a director.

DIRECTORS FEES

The company does not pay fees to directors.

BOARD COMMITTEES

The Board subcommittees incorporate the Governance Committee, the Risk and Audit Committee, Redevelopment Committee, and the HarbisonCare Art Committee.

The Board has Terms of Reference for each of its committees which were reviewed and updated during the year.

Committees report back to the Board as standing agenda items of the Board agenda at each scheduled meeting. Additionally, any director is welcome to attend any committee, and minutes of the committees are circulated to the Board.

RISK AND AUDIT COMMITTEE

The Risk and Audit Committee comprises four directors and the Chief Executive Officer. The Committee Chairman is appointed by the Board.

The Risk and Audit Committee's primary responsibilities include:

- Determining the scope of the external audit, recommending the auditor's appointment/removal and reviewing the auditor's performance and scope of the audit;
- Reviewing the company's published financial results;
- Ensuring the timely adoption of, and adherence to, all relevant accounting policy changes;
- Evaluating controls to safeguard assets relevant to risks, developing priorities and recommending procedures that will ensure effective internal control, including reviewing the external audit management letters to monitor management's remedies to correct noted deficiencies;
- Conducting an independent review of management control systems and practice as a basis for identifying ways of improving efficiency, effectiveness and minimizing business risks, specifically operational, financial and human resource;
- Appraising the adequacy, integrity, security, reliability and usefulness of management information systems and computer systems;
- Ascertaining the extent of compliance with established policies, procedures and statutory requirements;
- To oversee regulatory compliance, ensuring appropriate policies, processes and culture exist to meet all relevant legislative and regulatory requirements;
- Reviewing related party transactions; and
- Reporting to the Board on matters relevant to the committee's role and responsibilities.





REDEVELOPMENT COMMITTEE

The Redevelopment Committee comprises four directors and the Chief Executive Officer. The Committee Chairman is appointed by the Board.

The Redevelopment Committee assumes the responsibility for the oversight of the following:

- Development of a Strategic Plan for the redevelopment of the Burradoo site;
- Preparation of a Business Case for such redevelopment;
- Preparation of Request for Tender documentation for such redevelopment;
- Selection of the Project Manager for such redevelopment;
- Monitor the performance of the successful Project Manager and successful Tenderer;
- Development of a financing plan for the project and the continual review of the financial impact of the redevelopment on HarbisonCare's financial capacity;
- Ensure that any developments, refurbishments or upgrades are cost effective, appropriate, and in accordance with HarbisonCare's objectives and standards;
- Identify and advise the Board on future development opportunities and requirements; and
- Review risk management strategies to identify and minimise the risk arising from the size and complexity of the redevelopment project.

HARBISONCARE ART COMMITTEE

The committee comprises the Chief Executive Officer and a panel of local artists. The committee Chairman is appointed by the Board. The Art Committee is chaired by local artist Gillian Hook and has established an art collection for the enjoyment of residents, visitors and staff.

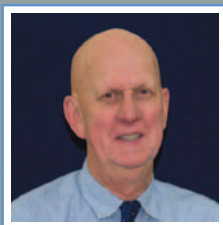
The HarbisonCare Art Committee has worked tirelessly to provide art in all the facilities.



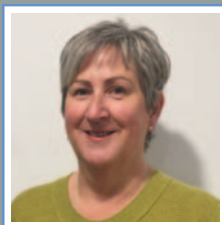


SENIOR STAFF

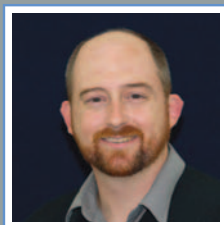
AS AT 30 JUNE 2017



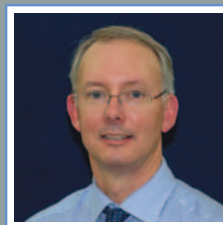
DON ROSS
Chief Executive Officer



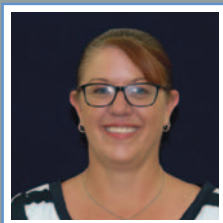
ROZ BENTON
*Director of Policy / Audit
& Quality Control*



STEVEN CLANCY
Chaplain



DAVID COCHRAN
*Community Liaison &
Support Services Manager*



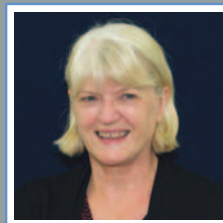
LINDA COOKE
*Director of Nursing -
Burradoo*



**JOE
GOODFELLOW**
Maintenance Manager



LINDA HALL
*Director of Nursing -
Moss Vale*



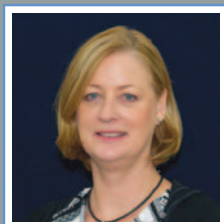
KAREN HARRINGTON
*Injury Management / Board Liaison
/ Purchasing / Document Control*



JODIE HILL
*Dementia Services
Manager*



MELISSA IRISH
*Corporate Services
Manager*



**SUSAN
MACDONALD**
*Director Graduate
Program / Business
Development*



JOSIE PEACOCK
*Diversional Therapist &
Volunteer Coordinator*

Special Thanks

*To the many people in our community, too numerous to mention,
who have given their time, a gift or donation to HarbisonCare.*





FINANCIAL REPORT

**FOR THE YEAR ENDED
30 JUNE 2017**

HARBISON MEMORIAL RETIREMENT VILLAGE
ABN 23 001 507 624

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DIRECTORS' REPORT

The directors present their report together with the financial report of Harbison Memorial Retirement Village (HarbisonCare or the Company) for the financial year ended 30 June 2017, and the auditor's report thereon.

DIRECTORS

The names of the directors in office at any time during, or since the end of the year are:

David James Cummins

Douglas Syme Drysdale

Janet Patricia Edwards

Jennifer Marilyn Harper

Hendrik den Hertog

Christopher Joseph Martin - *Appointed February 2017*

Tanya Marie Schiller - *Appointed February 2017*

Campbell Robert Sinclair MacBean

Mark Andrew Gordon Wilson

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year was the provision of aged care services through the operation of:

- Nursing home facilities at Burradoo and Moss Vale
- Hostel facilities at Moss Vale and Burradoo
- Independent living units at Burradoo
- Dementia care facilities at Moss Vale
- Community Aged Care Packages.

During the year HarbisonCare gained approval to become an NDIS provider.

PRINCIPAL OBJECTIVES

The principal objectives of the Company are to:

- Provide residential aged care services to the residents of the Southern Highlands
- Enhance the meaning and purpose in the lives of our residents
- Provide a wide range of services to residents
- Achieve high resident satisfaction
- Achieve strong employee morale and participation
- Strive for continuous improvement.



STRATEGY TO ACHIEVE OUR OBJECTIVES

These objectives will be achieved by:

- Provision of resident centred care
- Efficient delivery of all services
- Provision and development of training programmes for all staff
- Adoption of appropriate new technology for aged care.

HOW DO OUR PRINCIPAL ACTIVITIES ASSIST IN ACHIEVING OUR OBJECTIVES?

Our principal activities will assist in achieving the objectives by:

- Having residential aged care facilities at Moss Vale and Burradoo that provide a range of services to our residents
- Providing home care services to the community
- Involving our staff in the decision making process to provide an enhanced level of resident satisfaction
- Using new technology to improve the level of care and its delivery to our residents.

PERFORMANCE MEASUREMENT

The following performance measures will be adopted:

- Financial, clinical and safety performance against industry benchmarks
- Resident satisfaction survey
- Staff satisfaction survey
- Financial outcomes
- Staff performance reviews.

OPERATING AND FINANCIAL REVIEW

During the year, the principal focus was to:

- Expand provision of aged care services to ensure sustainable operations into the future
- Develop care services to residents by engaging supplementary health care professionals
- Optimise funding for residential care consistent with residents' needs
- Control the performance inputs of wages and occupancy.

Operating expenditure for the 2017 year increased by \$331,237. The increase in operating costs are in the areas of Catering, Administration and Building Depreciation. The increase in the cost of catering is as result of increased staffing and increases in food supply costs. The Graduate Program for recently graduated Registered Nurses and Endorsed Enrolled Nurses is included in Administration. Building depreciation increased as a result of the completion of the nursing home on the Burradoo site.

Net cash from operations was \$1,794,620. Cash deficit from entry contributions was (\$1,037,707) resulting in a reduction in the Entry Contribution Liability.

The directors believe that the annual performance and financial position of the Company is acceptable.

EVENTS SUBSEQUENT TO REPORTING DATE

In the opinion of the directors there were no significant events subsequent to the reporting date that would impact upon the financial results, operations or performance of HarbisonCare.

SIGNIFICANT CHANGE IN THE STATE OF AFFAIRS

In the opinion of the directors there were no significant changes in the state of affairs of the Company that occurred during the 2017 financial year.

LIKELY DEVELOPMENTS

The Company has commenced planning for the development of a community based innovative "living village" on the Burradoo site. The village will incorporate a "town like environment" with a village centre, shops, common areas and support services. It is envisaged the first stage will involve the construction of purpose built dementia houses for low risk (wandering) aged care residents. It is proposed that the construction will commence in late 2017.

The Company will continue its HarbisonCare Graduate Program in 2017/18. The program will involve six graduate RNs and EENs providing rotations through Bowral Public Hospital, Southern Highlands Private Hospital and Community Nursing.

It is anticipated that the Commonwealth Government will continue to move aged care to a user pays system. It is not considered that this will have a detrimental impact on HarbisonCare in the immediate future.

ENVIRONMENTAL ISSUES / SUSTAINABILITY

The Company's operations comply with all environmental regulation under Commonwealth and State legislation. HarbisonCare is making conscious efforts as part of its normal operations, ongoing refurbishments and capital works planning and construction, to be sensitive to the environment and to reduce waste wherever possible.



INFORMATION ON DIRECTORS

Name:	David James Cummins OAM
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Qualifications: LLB (Sydney), Solicitor

Appointed: August 1989

Special Responsibilities: Member of Redevelopment Committee

Name:	Douglas Syme Drysdale
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Qualifications: Dip Law (SAB), Licenced Real Estate Agent

Appointed: July 2011

Special Responsibilities: Chair of the Redevelopment Committee

Name:	Janet Patricia Edwards
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Qualifications: BA (Statistics/Psychology), MBA (Finance), CA, CPA, GAICD
CEO, BDCU Alliance Bank

Appointed: June 2004

Special Responsibilities: Chair of the Risk & Audit Committee

Name:	Jennifer Marilyn Harper
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Qualifications: RN, Grad Cert Intensive Care, M. Mgt (Health)
CEO, Southern Highlands Private Hospital & Cancer Centre

Appointed: November 2004

Special Responsibilities: Member of Redevelopment Committee

Name:	Hendrik den Hertog
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Qualifications: BBus, MTax, CPA, GAICD

Appointed: September 2008

Special Responsibilities: Chair of the Board of Directors, Member of the Redevelopment, Risk & Audit, Governance and Art Committees

Name:	Christopher Joseph Martin
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Qualifications: Graduate of Australian Institute of Company Directors, Master of Commerce (Valuation), Graduate Diploma in Property Investment, Advanced Certificate in Real Estate, Licensed Real Estate Agent (NSW)

Appointed: February 2017

Special Responsibilities: Member of the Redevelopment and Risk & Audit Committees

Name:	Tanya Marie Schiller
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Qualifications: BCommerce (Accounting), Diploma of Credit Management, CA

Appointed: February 2017

Special Responsibilities: Member of Risk & Audit Committee

Name:	Campbell Robert Sinclair MacBean
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Qualifications: Reg Psych BA, Grad and Post Grad Dip Psych, MAICD

Appointed: November 2011

Special Responsibilities: Chair of the Governance Committee

Name:	Associate Professor Mark Andrew Gordon Wilson
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Qualifications: MBBS, MIPH (Honours), FRACGP, FARGP

Appointed: July 2011

Special Responsibilities: Member of the Governance Committee

INFORMATION ON COMPANY SECRETARY AND EXECUTIVE

Name:	Donald Keith Ross
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Qualifications: B Eng, MBA, MCL, PhD, FAICD, C.P. Eng.

Appointed: Chief Executive Officer³, March 2012

Special Responsibilities: Appointed Company Secretary⁴, March 2012

³ Stepped down 11 September 2017. Replaced by David Cochran. | ⁴ Stepped down 27 September 2017. Replaced by David Cochran.



MEETINGS OF DIRECTORS

During the financial year 37 meetings of directors and committees were held. Attendances were:

Director	Directors' Meetings		Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
D.J. Cummins	12	10	16	12
D.S. Drysdale	12	10	11	11
J.P. Edwards	12	6	7	6
J.M. Harper	12	11	11	11
H. den Hertog	12	12	22	18
C.J. Martin	8	8	9	9
T.M. Schiller	8	7	5	5
C.R.S. MacBean	12	10	4	4
M.A.G. Wilson	12	9	1	1
Executive				
D.K. Ross	12	10	25	16

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

INDEMNIFICATION

The Company has agreed to indemnify directors of HarbisonCare for all liabilities to another person (other than the Company or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that HarbisonCare will meet the full amount of any such liabilities, including legal costs and expenses.

INSURANCE PREMIUMS

The Company has paid insurance premiums in respect of directors' and officers' legal liability in relation to current and former officers. The policy covers legal proceedings arising out of their conduct while acting in the capacity of officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. Under the terms of the policy, the nature of the insurance and terms of the policy and premium are to remain confidential.

DIRECTORS' BENEFITS

No director of the Company has received or become entitled to receive, during or since the end of the financial year, a benefit by reason of a contract made by the Company with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed at **Note 15**.

DIRECTORS' INTERESTS

No director has an interest required to be disclosed by section 300(11) (a) of the *Corporations Act 2001*. The Company does not have share capital nor does it have any related corporations.

MEMBERSHIP

The Company is limited by guarantee and has 33 (2016: 34) members.

In accordance with the Company's Constitution, every member has undertaken, in the event of a deficiency on winding up, during the time that they are a member or within one year afterwards, to contribute an amount not exceeding \$50. At balance date, the total value of these guarantees was \$1,650 (2016: \$1,700).

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is set out on page 22 of this report and forms part of the directors' report for the financial year ended 30 June 2017.

Signed in accordance with a resolution of the directors, at Burradoo on Tuesday 3rd October 2017:

Henk den Hertog
Director

Campbell Robert Sinclair MacBean
Director

LEAD AUDITOR'S INDEPENDENCE DECLARATION

UNDER SUBDIVISION 60-C SECTION 60-40 OF
*AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS
COMMISSION ACT 2012*

TO:
THE DIRECTORS OF HARBISON MEMORIAL
RETIREMENT VILLAGE

I declare that, to the best of my knowledge and belief, in
relation to the audit for the financial year ended 30 June
2017 there have been:

- (i) no contraventions of the auditor independence
requirements as set out in the *Australian
Charities and Not-for-profits Commission Act 2012*
in relation to the audit; and
- (ii) no contraventions of any applicable code of
professional conduct in relation to the audit.



Richard Drinnan
Partner

Signed at Wollongong, this 3rd day of October 2017



STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

		2017	2016
	Notes	\$	\$
Revenue	4	23,509,919	24,007,958
Other Income	4	69,395	191,039
		23,579,314	24,198,997
Expenses			
Resident care		(13,789,856)	(13,960,562)
Catering		(2,881,833)	(2,778,197)
Cleaning		(620,603)	(647,261)
Laundry		(322,203)	(317,623)
Maintenance		(913,434)	(962,524)
Utilities		(634,668)	(576,766)
Administration		(2,724,750)	(2,503,337)
Other expenses		(2,189,540)	(1,999,380)
Total Expenditure		(24,076,887)	(23,745,650)
Financial income	4	691,208	608,528
Financial expense	4	(119,103)	(89,850)
Net Financing Income		572,105	518,678
Surplus before Income Tax		74,532	972,025
Income tax expense	3(a)	—	—
Surplus for the year		74,532	972,025
Other Comprehensive Income for the year			
Items that will not be reclassified to profit or loss:			
Revaluation of freehold land	10	—	—
Total comprehensive income for the year		74,532	972,025

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with Notes to the Financial Statements numbered 1 to 16.



STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

		2017	2016
	Notes	\$	\$
Current Assets			
Cash and cash equivalents	14(a)	1,800,350	2,424,935
Other financial assets	6	13,123,003	12,099,351
Trade and other receivables	7	617,728	464,580
Total Current Assets		15,541,081	14,988,866
Non-current Assets			
Investment Property	8	189,908	239,809
Intangible Assets	9	2,127,868	2,155,039
Property, plant and equipment	10	37,416,959	38,751,593
Total Non-current Assets		39,734,735	41,146,441
Total Assets		55,275,816	56,135,307
Current Liabilities			
Trade and other payables	11	1,631,290	1,533,751
Entry contributions and accommodation bonds	12	26,514,613	27,717,194
Employee benefits	13	2,208,706	2,059,810
Total Current Liabilities		30,354,609	31,310,755
Non-current Liabilities			
Employee Benefits	13	281,825	259,702
Total Non-current Liabilities		281,825	259,702
Total Liabilities		30,636,434	31,570,457
Net Assets		24,639,382	24,564,850
Equity			
Asset revaluation reserve		7,244,998	7,244,998
Retained earnings		17,394,384	17,319,852
Total Equity		24,639,382	24,564,850

The Statement of Financial Position is to be read in conjunction with Notes to the Financial Statements numbered 1 to 16.



STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2017

	Asset Revaluation Reserve	Retained Earnings	Total
	\$	\$	\$
Balance as at 1 July 2015	7,244,998	16,347,827	23,592,825
Surplus for the year	—	972,025	972,025
Other comprehensive income	—	—	—
Total comprehensive	—	972,025	972,025
Balance as at 30 June 2016	7,244,998	17,319,852	24,564,850
	Asset Revaluation Reserve	Retained Earnings	Total
	\$	\$	\$
Balance as at 1 July 2016	7,244,998	17,319,852	24,564,850
Surplus for the year	—	74,532	74,532
Other comprehensive income	—	—	—
Total comprehensive	—	74,532	74,532
Balance as at 30 June 2017	7,244,998	17,394,384	24,639,382

The Statement of Changes in Equity is to be read in conjunction with Notes to the Financial Statements numbered 1 to 16.



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

		2017	2016
	Notes	\$	\$
Cash Flows from Operating Activities			
Receipts from donations and other income		69,395	184,201
Receipts from operating activities		23,148,024	23,646,184
Payments to suppliers and employees		(21,303,696)	(20,752,866)
Interest paid		(119,103)	(89,850)
Net Cash generated from Operating Activities	14(b)	1,794,620	2,987,669
Cash Flows from Investing Activities			
Interest received		667,556	557,988
Net (placement) of term deposits		(1,000,000)	(4,000,000)
Proceeds from the sale of property, plant and equipment		—	16,500
Acquisition of property, plant and equipment, intangibles and investment property		(1,049,054)	(2,250,485)
Net Cash (used in) Investing Activities		(1,381,498)	(5,675,997)
Cash Flows from Financing Activities			
Net proceeds from residents' entry contributions		(1,037,707)	1,409,592
Net Cash from Financing Activities		(1,037,707)	1,409,592
Net (decrease) in cash held		(624,585)	(1,278,736)
Cash and cash equivalents as at 1 July		2,424,935	3,703,671
Cash and cash equivalents as at 30 June	14(a)	1,800,350	2,424,935

The Statement of Cash Flows is to be read in conjunction with Notes to the Financial Statements numbered 1 to 16.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017





1. REPORTING ENTITY

Harbison Memorial Retirement Village (HarbisonCare or the Company) is a not-for-profit Company limited by guarantee and domiciled in Australia. The address of the Company's registered office is 2 Charlotte Street, Burradoo NSW 2576. The Company is primarily involved in the provision of aged care services through the operation of nursing home facilities at Burradoo, assisted living hostel facilities at Moss Vale and Burradoo, independent living units at Burradoo, dementia facilities at Moss Vale and Community Aged Care Packages in the Southern Highlands.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial report is a Tier 2 general purpose financial report that has been prepared in accordance with the Australian Accounting Standards-Reduced Disclosure Requirements (AASBs), adopted by the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not For Profit Commission Act 2012*.

The financial statements were approved by the Board of Directors on 3rd October 2017.

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for land which is measured at fair value.

(c) Functional and Presentation Currency

The financial report is presented in Australian dollars, which is the Company's functional currency.

(d) Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(e) Fair Value

A number of the Company's accounting policies and disclosures require the measurement of fair values, both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or liability, the Company uses market observable data as far as possible.

An external, independent valuation company, having appropriately recognised professional qualifications and recent experience in the location and category of the property being valued, values the Company's freehold land every three years. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing

seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in Note 10 – Property, Plant and Equipment.

Significant valuation issues are reported to the Board.

(f) Going Concern

Notwithstanding that the Company's current liabilities exceed its current assets, the financial report has been prepared on the going concern basis which assumes the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

In relation to current liabilities, it is noted that all accommodation bonds and entry contributions are classified as a current liability as the Company does not have an unconditional right to defer payment of these beyond 12 months.

During the year ended 30 June 2017, the Company refunded a total of \$12,565,996 to departing residents. As these vacated beds and units were re-allocated, the Company received accommodation bonds and entry contributions from incoming residents to a total of \$12,039,017.



3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements unless otherwise stated.

(a) *Income Tax*

The Company is exempt from income tax under Section 50-5 of the *Income Tax Assessment Act 1997*, being a non-profit charitable organisation, not carried on for the purpose of profit or gain to its members. Accordingly, no provision for income tax has been made in these financial statements.

The Company has been endorsed as an income tax exempt charity since 1 July 2000.

(b) *Property, Plant and Equipment*

Recognition and Measurement

With the exception of land, items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located.

Software purchased, that is integral to the function of computer hardware, is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Land is recognised initially at cost, then subsequently measured at fair value.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent Costs

The Company recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when the cost is incurred, if it is probable that the future economic benefits embodied within the item will flow to the Company and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Buildings – Moss Vale	25 years
Plant and Equipment.....	3-7 years
Motor Vehicles.....	3-7 years
Buildings – Burradoo Hostel.....	10 years
Buildings – Burradoo Nursing Home.....	3-20 years

The useful life, residual value and the depreciation method applied to an asset are reviewed at each financial year end and adjusted if appropriate.

(c) *Intangible Assets*

(i) Recognition and Measurement

Intangible assets are only recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company, and the costs of the assets are reliably measurable.

Intangible assets are initially measured at cost. Where an intangible asset is acquired at no cost or for a nominal cost, the cost is the fair value as at the date of acquisition.

(ii) Bed Licences

The Company has been granted or otherwise acquired bed licences over an extended period of time commencing many years ago. It has been determined that the fair value of bed licences at grant or acquisition date, prior to transition to Australian equivalents to International Financial Reporting Standards (AIFRS) is unable to be reliably measured and therefore no bed licences granted or acquired prior to 1 July 2004 have been recognised.

Licences granted after this date are recognised at their fair value as at the date they are put to use. Licences otherwise acquired after this date will be recognised at cost. Bed licences are considered to have an indefinite life and are therefore not amortised, however they are subject to an annual impairment assessment.

(iii) Software

Software acquired by the Company that is not integral to the function of computer hardware, is stated at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.



3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) *Intangible Assets (continued)*

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is three to five years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(d) *Investment Property*

(i) Recognition and Measurement

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost less accumulated depreciation and any accumulated impairment losses.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

(ii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over its estimated useful life.

The estimated useful life for the current and comparative periods is as follows:

Self Care Accommodation
at Burradoo 10 years

The useful life, residual values and the depreciation method applied to investment property is reviewed at each financial year-end and adjusted if appropriate.

(e) *Financial Instruments*

Non-derivative financial assets

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

(i) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(ii) Loans and Receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise bank term deposits, and trade and other receivables.

Non-derivative financial liabilities

All financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: trade and other payables, refundable accommodation deposits, entry contributions and accommodation bonds.



3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

(f) *Impairment*

Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in profit or loss.

Non-Financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

As an alternate measure of value-in-use, the Company is able to use depreciated replacement cost in accordance with AASB 136 Impairment of Assets.

In respect of non-financial assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) *Employee Benefits*

(i) Defined Contribution Plans

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Long-Term Employee Benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

(iii) Short-Term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.



3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Revenue

(i) Resident Fees and Charges

Revenue from the rendering of a service is recognised upon the delivery of the service to the residents. Rents and service charges are billed in advance. Where income for a future period has been billed, this amount is recognised as a liability called income received in advance.

(ii) Government Grants

Unconditional government grants are recognised in profit or loss as other revenue when the grant becomes receivable.

Other government grants are recognised initially as deferred income when there is reasonable assurance that they will be received and that the Company will comply with the conditions associated with the grant. Grants that compensate the Company for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised. Grants that compensate the Company for the cost of an asset are recognised in profit or loss as other income in the period that the grant is received.

(iii) Donations

Donations received from the general public are taken into account as other income on receipt.

(iv) Accommodation Charges

Persons entering a high care aged care facility prior to 1 July 2014 were asset tested and have been required to pay an accommodation charge. Accommodation charges are recognised as revenue as they become due and receivable from residents.

(v) Accommodation Bonds/Refundable Accommodation Deposits

Persons entering a low care aged care facility prior to 1 July 2014 who were assessed as "non-supported residents" were required to pay an accommodation bond. All persons entering an aged care facility after 1 July 2014 who were assessed as "non-supported residents" are required to pay a refundable accommodation deposit (RAD). Accommodation bonds and RADs are held by the Company in the form of interest free loans from residents.

Accommodation bonds and RADs paid by residents are repayable by the Company when the resident leaves the facility (refund event).

Accommodation bonds paid by residents entering a low care aged care facility prior to 1 July 2014 are generally subject to a reduction of the original bond by way of retentions as specified in the Residents Agreement, pursuant to the *Aged Care Act 1997*. For each resident, the retention is recognised in profit or loss on a straight-line

basis over the term of residency at the aged care facility, but not more than 5 years.

On the basis of historical information, the Company has determined that the average term of residency at each of its aged care facilities is less than the maximum accommodation bond retention period of five years. The average term of residency is reviewed annually.

Accommodation bonds and RADs are classified as current liabilities as the Company does not have the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The obligation to settle could occur at any time.

Once a refunding event occurs the accommodation bond or RAD becomes interest bearing. The interest rate varies according to the rates specified by the Department of Health at the time the refunding event occurs. Interest expense is recognised in the profit or loss when incurred.

(vi) Self Care Entry Contribution

Persons entering independent living units, subject to financial means, may be required to pay an Entry Contribution in the form of an interest free loan to the Company, repayable upon vacation of the unit. The original loan made by a resident is reduced to an agreed residual value over a specified period as set out in the Self Care Residence Loan Licence Agreement, and in accordance with the *Retirement Village Act NSW 1999*.

For each resident, the loan reduction (retention) is taken to profit on a straight-line basis. The total retention is amortised over the life of the tenancy. When a resident vacates a unit, any variation between the amortised retention and the retention under the contract terms is recognised in the period in which the unit is vacated.

On the basis of historical information, the Company has determined that the average term of residency is less than the maximum retention period of five years. The average term of residency is reviewed annually.

Resident loans are classified as current liabilities as the Company does not have the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The obligation to settle could occur at any time, up to a maximum of six months from when a resident vacates an independent living unit.

(vii) Rental Income

Rental income from independent living units is recognised in profit or loss on a straight-line basis over the term of the lease. Rental income is billed in advance. Where income for a future period has



3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

been billed, this amount is recognised as a liability called income received in advance.

(i) Finance Income and Expense

Finance income comprises interest income on funds invested and outstanding accommodation bond and resident loans. Interest accrues on outstanding accommodation bonds from the date the resident enters care and on outstanding resident loans from the date of occupancy of the self-care facility. Interest income is recognised in profit and loss as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings, interest paid to residents subsequent to a refunding event and accommodation bonds. All borrowing costs are recognised in profit or loss using the effective interest method.

(j) Lease Payments

Operating Lease Payments

Payments made under operating leases are recognised in the profit and loss on a straight-line basis over the term of the lease.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office. 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 are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

The Company is registered for the purposes of goods and services tax. The aged care facilities have a GST free status on the basis that those facilities are health services. The independent living facility has a GST free status based on the concessions granted to the charitable sector for aged housing. GST paid to suppliers will be recouped. Until the GST is recouped it is treated as a debtor.

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.

(l) Reserves

The asset revaluation reserve relates to the revaluation of freehold land. This reserve would normally remain constant for the period between revaluations. The exception would be disposal of land.

(m) Donated Services

Various services are donated to the Company. No assessment of the value of those services is included in the accounts.

(n) Members' Liability

The Company is limited by guarantee and has 33 members (2016: 34 members).

Pursuant to the Memorandum of Association of the Company, every member has undertaken in the event of a deficiency on winding up during the time that they are a member, to contribute an amount not exceeding \$50.



	2017	2016
	\$	\$
4. REVENUE AND OTHER INCOME		
Revenue from Rendering of Services		
Government funding	16,332,696	16,939,616
Resident fees	5,643,863	5,650,830
Resident income	319,568	274,493
	22,296,127	22,864,939
Other Revenue		
Accommodation charges	1,027,106	903,601
Retentions on resident bonds	164,871	234,188
Other revenue	21,815	5,230
	1,213,792	1,143,019
Total Revenue	23,509,919	24,007,958
Other Income		
Donations & bequests	19,201	73,886
Other non-operating income	50,194	110,315
Profit on the sale of assets	—	6,838
Total Other Income	69,395	191,039
Net Financing Income		
Interest received - financial assets	377,241	317,841
Interest received - other	313,967	290,687
Interest paid on resident bonds	(119,103)	(89,850)
Net Financing Income	572,105	518,678



	2017	2016
	\$	\$
5. EXPENSES		
Depreciation and amortisation		
Buildings	1,840,366	1,789,212
Motor vehicles	49,792	50,471
Property, plant and equipment	489,082	510,723
Investment property	51,899	52,568
Software	29,618	30,457
Total depreciation and amortisation	2,460,757	2,433,431
Personnel Expense		
Wages and salaries	14,459,496	14,476,905
Workers Compensation	540,115	740,317
Superannuation defined contribution funds	1,304,346	1,302,069
Increase in liability for annual leave	172,178	142,123
(Decrease)/Increase in liability for long service leave	(1,158)	244,841
Total Personnel Expense	16,474,977	16,906,255
6. OTHER FINANCIAL ASSETS	\$	\$
Loans and receivables to financial institutions - Term deposits with financial institutions	13,123,003	12,099,351
<i>The accrued value of interest on these deposits to 30 June 2017 has been included with the deposit.</i>		



	2017	2016
	\$	\$
7. TRADE AND OTHER RECEIVABLES		
Trade and resident debtors	382,501	241,047
Provision for impairment of receivables	(43,873)	(43,873)
Other debtors	14,940	117,110
Other assets	264,160	150,296
	617,728	464,580
(a) Impaired Trade Receivables		
<i>The aging of trade, resident and other receivables at the reporting date was as follows:</i>		
Neither past due nor impaired	151,025	93,004
Past due to 30 days	87,916	27,132
Past due 30 – 90 days	31,184	14,827
Past due 90 – 120 days	112,376	106,084
	382,501	241,047
<i>As at 30 June 2017 current trade receivables with a nominal value of \$231,476 (2016: \$148,042) were past due. Of this past due amount, \$43,873 (2016: \$43,873) was considered impaired and provided for.</i>		
<i>The movement in the allowance for impairment in respect of trade receivables during the year was as follows:</i>		
Balance at 30 June 2015	73,659	
Amounts written off	(29,786)	
Balance at 30 June 2016	43,873	
Amounts written off	—	
Balance at 30 June 2017	43,873	
8. INVESTMENT PROPERTY	\$	\$
Buildings and infrastructure – at cost	750,774	748,776
Accumulated depreciation	(560,866)	(508,967)
Total Investment Property	189,908	239,809
Movements in carrying amounts		
<i>Movement in the carrying amounts for investment property between the beginning and the end of the current financial year.</i>		
Balance at 1 July	239,809	290,392
Additions	1,998	1,985
Depreciation expense	(51,899)	(52,568)
Balance at 30 June	189,908	239,809



	2017	2016
	\$	\$
9. INTANGIBLE ASSETS		
Bed Licences	2,112,000	2,112,000
Computer software	15,868	43,039
	2,127,868	2,155,039
Movements in carrying amounts		
<i>Movement in the carrying amounts for intangible assets between the beginning and the end of the current financial year.</i>		
Bed licences		
Balance at 1 July	2,112,000	2,112,000
Additions – activated bed licenses at fair value	—	—
Balance at 30 June	2,112,000	2,112,000
Computer software		
At cost	348,816	346,369
Less accumulated amortisation	(332,948)	(303,330)
Total	15,868	43,039
Balance at 1 July	43,039	64,464
Additions	2,447	9,032
Amortisation	(29,618)	(30,457)
Balance at 30 June	15,868	43,039
10. PROPERTY, PLANT AND EQUIPMENT	\$	\$
Freehold land – at fair value	7,500,000	7,500,000
Buildings and infrastructure – at cost	46,929,254	46,782,130
Accumulated depreciation	(18,878,811)	(17,038,445)
	28,050,443	29,743,685
Capital works in progress – at cost	631,108	206,622
Plant and equipment – at cost	5,540,214	5,067,217
Accumulated depreciation	(4,364,595)	(3,875,513)
	1,175,619	1,191,704
Motor vehicles – at cost	304,854	304,854
Accumulated depreciation	(245,065)	(195,272)
	59,789	109,582
Total Property, Plant and Equipment	37,416,959	38,751,593



10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Fair Value Hierarchy

A formal valuation of land at Burradoo and Moss Vale was obtained for the year ended 30 June 2016, dated 2 August 2016. The valuation was performed by B Hill, Certified Practicing Valuer, Registered Valuer No 024135. The valuer B Hill, in arriving at the land value, has taken into consideration sales evidence of comparable properties within the Wingecarribee Shire. He has further given consideration to the size and location of the comparable sales and made appropriate adjustments prior to assessing a fair and reasonable value for the subject property. The adopted fair value, based on the valuation obtained was \$7,500,000.

The fair value measurement of freehold land has been categorized as a Level 2 fair value based on the inputs to the valuation technique (see Note 2(e)).

Movements in Carrying Amounts

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

	Land	Buildings and Infrastructure	Plant and Equipment	Motor Vehicles	Capital Works in Progress	Total
	\$	\$	\$	\$	\$	\$
Cost						
Balance at 1 July 2015	7,500,000	44,636,678	4,691,854	274,801	578,250	57,681,583
Additions	—	1,755,484	395,321	70,323	18,340	2,239,468
Transfers from WIP	—	389,968	—	—	(389,968)	—
Revaluations/ Disposals	—	—	(19,958)	(40,270)	—	(60,228)
Balance at 30 June 2016	7,500,000	46,782,130	5,067,217	304,854	206,622	59,860,823
Balance at 1 July 2016	7,500,000	46,782,130	5,067,217	304,854	206,622	59,860,823
Additions	—	147,124	472,997	—	424,486	1,044,607
Transfers from WIP	—	—	—	—	—	—
Revaluations/ Disposals	—	—	—	—	—	—
Balance at 30 June 2017	7,500,000	46,929,254	5,540,214	304,854	631,108	60,905,430
Accumulated Depreciation						
Balance at 1 July 2015	—	15,249,233	3,384,748	175,409	—	18,809,390
Depreciation for the Year	—	1,789,212	510,723	50,472	—	2,350,407
Disposals	—	—	(19,958)	(30,608)	—	(50,566)
Balance at 30 June 2016	—	17,038,445	3,875,513	195,273	—	21,109,231
Balance at 1 July 2016	—	17,038,445	3,875,513	195,273	—	21,109,231
Depreciation for the Year	—	1,840,366	489,082	49,792	—	2,379,240
Disposals	—	—	—	—	—	—
Balance at 30 June 2017	—	18,878,811	4,364,595	245,065	—	23,488,471
Carrying Amount						
Balance at 1 July 2015	7,500,000	29,387,445	1,307,106	99,392	578,250	38,872,193
Balance at 30 June 2016	7,500,000	29,743,685	1,191,704	109,582	206,622	38,751,593
Balance at 1 July 2016	7,500,000	29,743,685	1,191,704	109,582	206,622	38,751,593
Balance at 30 June 2017	7,500,000	28,050,443	1,175,619	59,789	631,108	37,416,959



	2017	2016
	\$	\$
11. TRADE AND OTHER PAYABLES		
<i>Unsecured</i>		
Trade creditors	424,789	422,788
Accrued expenses	120,139	131,466
Income received in advance	239,975	252,234
Other creditors	846,387	727,263
	1,631,290	1,533,751
12. ENTRY CONTRIBUTIONS AND ACCOMMODATION BONDS	\$	\$
<i>Unsecured</i>		
Entry Contributions and Accommodation Bonds	26,514,613	27,717,194
<i>Accommodation bonds become payable by the Company on departure by the resident. As the Company does not have an unconditional right to defer the refund for 12 months the accommodation bond is required to be disclosed as a current liability.</i>		
During the year bond refunds totaled \$12,565,996 (2016: \$8,230,982).		
13. EMPLOYEE BENEFITS	\$	\$
<i>Current</i>		
Annual leave	1,266,748	1,129,315
Long service leave	797,207	820,488
Accrued days off	144,751	110,007
	2,208,706	2,059,810
<i>Non-current</i>		
Long service leave	281,825	259,702
Total employee benefits	2,490,531	2,319,512



	2017	2016
	\$	\$
14. NOTES TO THE STATEMENT OF CASH FLOWS		
(a) Reconciliation of Cash		
<i>Cash at the end of the financial year, as shown in the statement of cash flows, is reconciled to items in the balance sheet as follows.</i>		
Cash on hand and at bank	1,800,350	2,424,935
	1,800,350	2,424,935
(b) Reconciliation of Cash Flow from Operations with Surplus from Operating Activities		
Net surplus after income tax	74,532	972,025
<i>Adjustments for:</i>		
Investment Interest Received	(691,208)	(608,528)
Gain on sale of assets	—	(6,838)
Retentions on resident bonds	(164,871)	(234,188)
Depreciation and amortisation	2,460,757	2,433,431
Net Cash Flows provided by Operating Activities before Change in Assets and Liabilities	1,679,210	2,555,902
Changes in assets and liabilities		
(Decrease) in receivables	(153,148)	(83,712)
Increase in payables	97,539	128,514
Increase in employee benefits	171,019	386,965
Net Cash from Operating Activities	1,794,620	2,987,669

15. RELATED PARTIES

Key management personnel comprise directors and senior executives of the Company.

Transactions with Key Management Personnel

Directors do not receive any remuneration. The Chair of the Board of Directors receives a reimbursement payment of \$4,800 per annum.

Key management personnel includes Directors and eleven (2016: nine) senior staff.

In addition to the salaries paid to senior executives, the Company also provides non-cash benefits to executive key management personnel, and

contributes to a post-employment defined contribution superannuation fund on their behalf.

Key Management Personnel Compensation

The total key management personnel compensation included in 'personnel expenses' is \$1,612,602 (2016: \$1,617,132).

16. EVENTS SUBSEQUENT TO REPORTING DATE

In the opinion of the directors there were no significant events subsequent to the reporting date that would impact upon the financial results, operations or performance of HarbisonCare.



DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2017

In the opinion of the directors of Harbison Memorial Retirement Village (the Company):

- (a) the Company is not publicly accountable;
- (b) the financial statements and notes that are set out on pages 23 to 40 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Regime and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors, at Burradoo on Tuesday 3rd October 2017:

Henk den Hertog
Director

Campbell Robert Sinclair MacBean
Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HARBISON MEMORIAL RETIREMENT VILLAGE

OPINION

We have audited the **Financial Report**, of Harbison Memorial Retirement Village (the Company).

In our opinion the accompanying **Financial Report** of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- i. giving a true and fair view of the Company's financial position as at 30 June 2017, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- i. Statement of financial position as at 30 June 2017.
- ii. Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. Directors' declaration of the Company.

BASIS FOR OPINION

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

OTHER INFORMATION

Other Information is financial and non-financial information in Harbison Memorial Retirement Village's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL REPORT

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosures Requirements and the ACNC.
- ii. Preparing the Financial Report in accordance with Australian Charities and Not-for-profits Commission Regulation 2013 (the Regulation).
- iii. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- iv. Assessing the Company's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.


Misstatements can arise from fraud or error. They 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.

Undertaking an audit in accordance with *Australian Auditing Standards*, means exercising professional judgment and maintaining professional skepticism.

Our responsibilities include:

- i. Identifying and assessing the risks of material misstatement of the Financial Report, whether due to fraud or error.
- ii. Designing and performing audit procedures responsive to those risks, and obtaining 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. This is because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- iii. Obtaining an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances. This is not for the purpose of expressing an opinion on its effectiveness.

- iv. Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- v. Concluding on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- vi. Evaluating 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.



Richard Drinnan
Partner

Signed at Wollongong, this 3rd day of October 2017



Harbison Care

DIRECTORY

Harbison Memorial Retirement Village trading as HarbisonCare
ACN.: 001 507 624 • A.B.N.: 23 001 507 624

HEAD OFFICE

2 Charlotte Street
Burradoo NSW 2576

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Phone: (02) 4868 6200 | Facsimile: (02) 4861 2892
Email: admin@harbisoncare.org.au

ALSO AT

36 Yarrawa Road
Moss Vale NSW 2577

Phone: (02) 4868 6200 | Facsimile: (02) 4869 3214
Email: admin@harbisoncare.org.au

PATRONS

HarbisonCare	Mayor of Wingecarribee Shire Council
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HarbisonCare Art Committee	Garry Barnsley OAM (appointed April 2011)
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AUDITOR

KPMG
Level 3, 63 Market Street
Wollongong NSW 2500

LEGAL ADVISORS

HAILLE PAINE SOLICITORS
22 Merrigang Street
Bowral NSW 2576

For more information about this annual report, contact Administration at Burradoo.

Additional copies of this and previous annual reports may be downloaded from our website.

<http://www.harbisoncare.org.au>



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