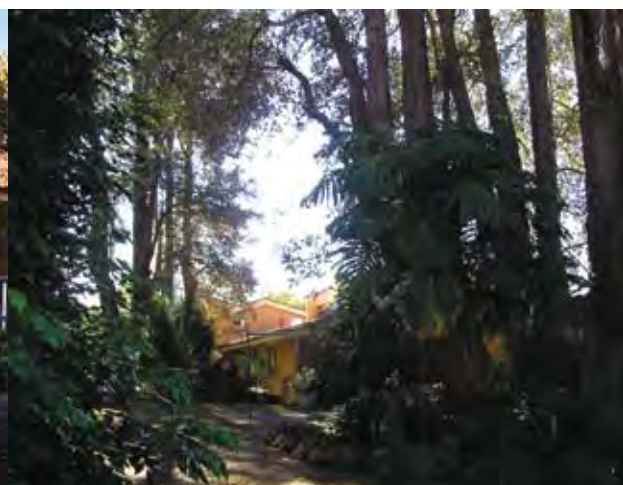


# ANNUAL REPORT 2008

Christophorus House Retirement Village Ltd ABN 32 001 781 013



**CHRISTOPHORUS HOUSE**  
retirement village

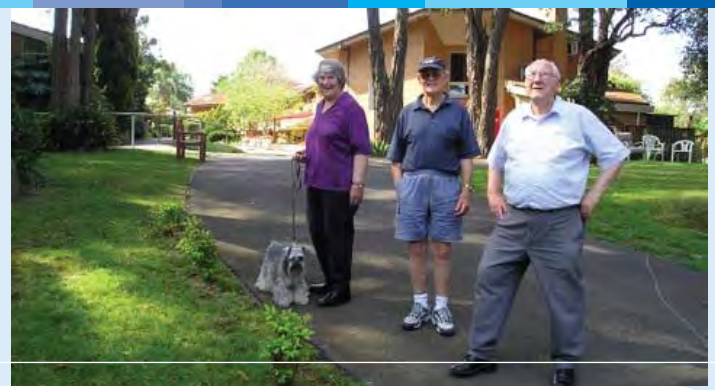
<b>Registered Office:</b>	396 Pacific Highway Hornsby NSW 2077
<b>Telephone:</b>	(02) 9476 3161
<b>Office Fax:</b>	(02) 9477 5768
<b>Office email:</b>	<a href="mailto:admin@christophorushouse.com.au">admin@christophorushouse.com.au</a>
<b>Hostel Fax:</b>	(02) 9987 0212
<b>Hostel email:</b>	<a href="mailto:hostelmanager@christophorushouse.com.au">hostelmanager@christophorushouse.com.au</a>



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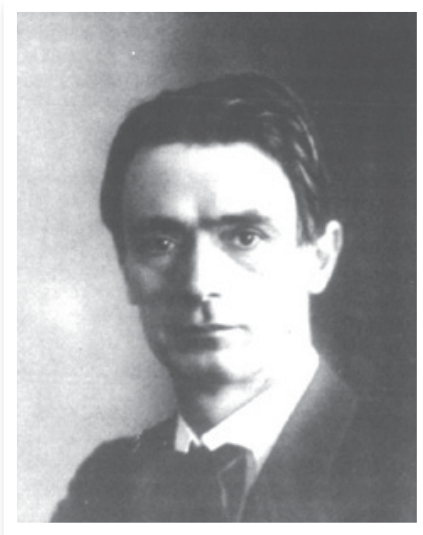


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# Christophorus House Retirement Village



## Mission Statement

To provide a high quality environment to the community we serve, especially aged and disabled persons, based on the therapeutic and social ideals of Dr Rudolf Steiner; emphasising respect for the dignity of the individual. This will be achieved through maintaining a harmonious, healing and aesthetic environment, providing nursing care practices and other services of the highest standard.

## Vision Statement

Christophorus House is a thriving community where the living ideals of Anthroposophy infuse and enrich the care of the aged and those with special needs.

**R**udolf Steiner (25 February 1861 – 30 March 1925), born in Donji Kraljevec, Croatia, was an Austrian philosopher, literary scholar, educator, artist, playwright, social thinker, and esotericist. Steiner had a wide breadth of activities. He founded the Waldorf education school movement and the Biodynamic agriculture he founded has contributed significantly to the modern organic farming movement. Anthroposophic medicine has created a broad range of Anthroposophical

medicines; in addition, a wide range of supportive therapies – both artistic and biographical – have arisen out of Steiner's work.

As a playwright, Steiner wrote four "Mystery Dramas" between 1909 and 1913, including *The Portal of Initiation* and *The Soul's Awakening*. Steiner founded a new approach to artistic speech and drama. The actor Michael Chekhov extended this approach to what is now known as the Chekov method. The homes for the handicapped based on his work are widely spread. His paintings and drawings have been exhibited in museums and galleries and the list of people influenced by him includes Joseph Beuys and other significant modern artists. Steiner designed 17 buildings; his two Goetheanum buildings and drawings are generally accepted to be masterpieces of modern architecture, and other Anthroposophical architects have contributed thousands of buildings to the modern scene.

One of the first institutions to practice ethical banking was an Anthroposophical bank working out of Steiner's ideas. Steiner was extremely active as a lecturer on social questions. He suggested that human society had been moving slowly, over thousands of years, toward articulation of society into three independent yet mutually corrective realms, and that a Threefold Social Order was not some utopia that could be implanted in a day or even a century. He believed in equality of human rights for political life, liberty in cultural life, and voluntary, uncoerced fraternal cooperation in economic life. In the 1920's, Steiner was approached by Friedrich Rittelmeyer, a Lutheran pastor with a congregation in Berlin. Rittelmeyer asked if it was possible to create a more modern form of Christianity. Soon others joined Rittelmeyer – mostly Protestant pastors, but including

several Roman Catholic priests. Steiner offered counsel on renewing the sacraments of their various services, combining Catholicism's emphasis on the rites of a sacred tradition with the emphasis on freedom of thought and a personal relationship to religious life, characteristic of modern Johannine Christianity. Steiner made it clear, however, that the resulting movement for the renewal of Christianity, which became known as 'The Christian Community', was a personal gesture of help to a movement founded by Rittelmeyer and others independently of the Anthroposophical Society. The distinction was important to Steiner because he sought with Anthroposophy to create a scientific, not faith based, spirituality. Steiner's literary estate is correspondingly broad. Steiner's writings are published in about 40 volumes, including books, essays, plays ('mystery dramas'), mantric verse and an autobiography. His collected lectures make up another approximately 300 volumes, and nearly every imaginable theme is covered somewhere here. Steiner's drawings are collected in a separate series of 28 volumes.

He characterized anthroposophy as follows:

"Anthroposophy is a path of knowledge, to guide the spiritual in the human being to the spiritual in the universe.... Anthroposophists are those who experience, as an essential need of life, certain questions on the nature of the human being and the universe, just as one experiences hunger and thirst."

*"My meeting with Rudolf Steiner led me to occupy myself with him from that time forth and to remain always aware of his significance. We both felt the same obligation to lead man once again to true inner culture. I have rejoiced at the achievements his great personality and his profound humanity have brought about in the world."*

Albert Schweitzer



# Chairman's Report

June 2008



It has been both a productive and challenging past year for Christophorus House Retirement Village (CHRV). Productive because what has been achieved, and challenging because of the threat posed by the changed funding arrangements for the Hostel.

## Financial results

The financial results for the year ended 30 June 2008 are very pleasing – for more details I refer you to my report as Treasurer. However, it needs to be kept in mind that the surplus for the year is calculated without regard to capital expenditure. Significant capital expenditure which has been incurred or approved includes the refurbishment of a number of self care units (at a cost of \$43,000) and the installation of a lift in the Hostel, at an anticipated cost of approximately \$310,000.

## Concessional self care unit reserve

In addition, the Board approved the transfer of an amount of \$33,000 (or 10% of the year's surplus) to a reserve to be used to fund a concessional self care unit. This amount was added to the amount of \$45,994 that had earlier been transferred to the same reserve. When sufficient funds have been accumulated, we will be able to offer a

self care unit to someone who would not otherwise be able to afford the initial up front payment.

## New funding regime for the Hostel

Just when we thought that we had placed CHRV's financial affairs on a solid foundation, the Board was informed late last year that the funding arrangements for the Hostel were changing. The new arrangements, called the Aged Care Funding Instrument (ACFI), have the potential to drastically reduce the amount of Government funding that is received in respect of Hostel residents.

The new arrangements came into effect on 20 March 2008, although residents living at the Hostel at that date will continue (on a limited transitional basis) to receive funding under the old arrangements. Nevertheless, steps will need to be taken to replace the lost funding through other means, primarily (and unfortunately), by increasing the amount of the bonds to be paid by incoming Hostel residents.

## Strategic planning

Members will recall that two aspects of our strategic plan are the expansion of the number of self care units and the extension of the Hostel. We had hoped to concentrate on the former before commencing the latter. However, because we have not been successful in acquiring suitable land, and because of the threat posed by ACFI, our priorities have changed and we are now actively pursuing a strategy of obtaining further bed licences in the Hostel, and identifying ways in which the Hostel can be extended to include up to an additional 20 beds.

## Appointment of the Self Care Liaison Officer

Another initiative taken this year was the appointment of Monika Bebb as Self Care Liaison Officer. Monika's role includes responsibility for co-

ordinating and organizing activities, therapies, festivals, meetings and social events for self care residents.

In addition, the Board approved the transfer of a further \$5,000 to the Self Care Residents' Social Club.

The Board is very conscious of the concerns that have been expressed by self care residents that the special relationship between the Hostel residents and the self care residents has decreased over recent times. Unfortunately, the physical limitations of the Hostel, the increasing dependence of the Hostel residents and the very onerous legal requirements placed on the operation of the Hostel by the accreditation process, have all conspired to this end. The Board hopes that Monika's appointment can, as far as possible, offset this loss and provide self care residents with fulfilling alternatives.

## Board composition

There have been two changes at Board level during the year. First, Phillippa Cordwell, a director since 2004 and a former Board Chair, resigned on 24 February 2008. I would like to record our sincere thanks to Phillippa for her contribution to CHRV, which commenced at a time of some upheaval in CHRV's affairs. Phillippa has been replaced by the Reverend Sune Nielsen, who will be well known to many members as a priest to the Christian Community.

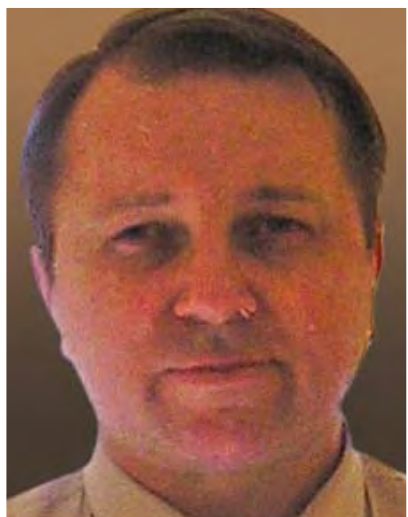
## Conclusion

Finally, I would again like to acknowledge the enormous contribution made by my fellow Board members, our CEO Milan Telford, our Hostel Manager Mary Carty RN and all the wonderful staff at CHRV. I thank all of them for the support and loyalty that they have given CHRV over the last year.

**Robert Allerdice**  
Chairman

## CEO's Report

June 2008



CHRV's Board interim response to ACFI, has been to approve the installation of a lift in the Hostel, in order to better accommodate our changing service delivery model (ageing in place / high care).

During the past financial year, whilst outwardly one could observe serenity in the Village, there was much inward activity and some turmoil. The Board presented the Strategic Plan document to all members, residents and friends in August 2007. Following the Strategic Plan presentation, there was in March 2008, the introduction of a new funding instrument for the Hostel, termed Aged Care Funding Instrument (ACFI). Due to the impact ACFI is likely to have on our funding going into the future, a reduction of almost 60% on the existing base, it was necessary to re-prioritise the Strategic Plan projects.

Current strategic thinking involves the expansion, for viability reasons, of the Hostel. The process involves securing funded beds from the Department of Health and Ageing, such endeavour not necessarily being guaranteed; the next round of applications being in November 2008.

However, should the opportunity arise where-by CHRV is able to pursue the further development of Independent Living Units (ILU's) then we would need to reconsider the next steps to be taken at that time.

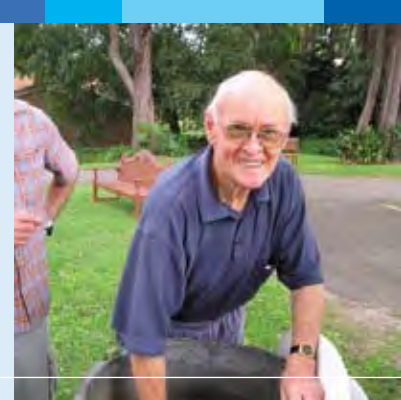
The shift in funding which results from ACFI, being from low care service to high care service level, complicates our business and service delivery models.

Christophorus House business model requires that a bond be paid for all incoming residents of both self care and hostel accommodation. There is a peculiarity in the *Aged Care Act 1997 section 57-2 (1)(iv)* which excludes service providers from being able to charge bonds for incoming high care residents. This section of the Act has long been criticised by the industry. Hence, incoming residents to CHRV Hostel must be ACAT assessed, low care, in order for CHRV to be able to obtain a bond. Operational government funding however, is now skewed towards high care service delivery residents. In effect this also means that CHRV's service delivery model is to change somewhat, towards a nursing care model, in order that CHRV residents through ageing in place remain at the site when their needs become high care; and in so doing CHRV would also attract the funding for this high service care delivery.

CHRV's Board interim response to ACFI, has been to approve the installation of a lift in the Hostel, in order to better accommodate our changing service delivery model (ageing in place / high care). The costs of this lift have now been determined to be approximately \$310,000, as the installation of the lift will require some renovations to the building to comply with Building Code Standards, which are required to be upgraded for older buildings when renovations to the building occur.







The revised Strategic Plan document will be presented to the Annual General Meeting

Financial year ended 2008, finished with a result of a surplus of \$328,801. Full occupancy in both Hostel and Self Care for most of the operating year, together with higher cash balances from bonds and continuing increases in interest rates, were the underlying factors which enabled CHRV to produce this best result ever. Full occupancy alludes to the fact that at CHRV we must be doing something right.

The Board listened to concerns of residents following a survey of residents conducted in January. To this end, a resource by way of a 'Self Care Liaison Officer' was made available for the self care residents. Also additional hours for maintenance (20 hours per week) were made available for the maintenance work in the Village, and the Board also determined to continue funding social activities by way of a \$5,000 allocation from surpluses to the 'Residents Social Club Fund'. The Board will continue to work with the suggestions made in the Survey.

The Corporate Governance model for CHRV, which is ever evolving, is exemplary. CHRV mission and vision, are a people centred ethic and principle which gives the 'flavour' to how we operate, and management and staff are dedicated to the organisation and have the requisite skills to fulfil their duties. Our incoming bond prices are still well below market rates, making CHRV attractive to enter. Time and again, visitors comment on the peace and quiet of the Village and how well laid out it is. In the financial year ended June 2008, we were able to capitalise on 8 successive interest rate rises. These higher return on investments, continue into the 2009 financial year period.

As a charity, CHRV re-invests all surpluses earned, back into our community, through specific programs of social and therapeutic pursuit, capital expenditure on buildings and surrounds and in improving equity levels. Importantly, CHRV is not a charity which is part of a group and hence is not required to pay management charges to an outside party, nor is CHRV a 'for profit' establishment, where the incentive to operate is to make profits for owners; resulting in all funds staying within the community.

During the year, CHRV launched its fund raising appeal. The aim is to build up an adequate fund in order to be able to offer (and finance) a concessional place(s) in a Self Care unit(s). The Board has already committed funds to this project; in 2008 redirecting the funds held in the general reserve to the Concessional Independent Living Unit (ILU) reserve and also applying a further \$33,000 from 2008 surpluses to that reserve (refer Equity Statement). This is a direct response to furthering the vision of the founder of CHRV, Helga Forster, in caring for the aged who are homeless.

May I close by thanking the staff (a special thanks to the volunteers, Trish, Denise and Tony), for another good year with positive feedback from the Department, Agencies and families on the care given; the Board who give so generously of their time, and in particular the Chair, who is always available for counsel and advise, the Self Care Residents Committee, chaired by Barbara Harding, who provide valuable feedback on matters pertaining to the Village and assist me in meeting my regulatory obligations, and the many helpers and suppliers who are to be seen coming and going from the Village. I thank you all.

**Milan Telford**  
CEO

# Treasurer's Report

June 2008



During the year capital funds were expended on, fire safety, rain water tanks, resurfacing of the village internal road, Self Care refits and proactive maintenance there-of, fence repairs, OH&S equipment, hot water tanks, curtains in the hostel, cool room – hostel, resident's internet access and some furniture and other equipment.

**T**he result for 2008 at \$328,801 (2007: \$194,024) is the best result achieved in the life span to date of Christophorus House (CHRV). The organisation has come of age. The result is the accumulation of many years of hard work on the part of all who have contributed to CHRV over the decades. It also indicates how well (under the surface), the organisation operated throughout the year; stability and industry being two definitions to characterise the well being of CHRV.

## Highlights

**Income** (operating) rose from \$1,364,841 in 2007 to \$1,490,416 in 2008. Significant increase in interest earned (increase of \$77,367), and increases in government funding (increase of \$27,191) and resident fees in the Hostel (increase of \$17,924) were the main contributors to the overall net increase in income of \$125,575.

Government funds included the recognition in the books of account of \$14,819 of capital program related grants, used during the financial period. Interest earnings were the result of eight successive rate increases in the market place, together with cash balance increases during the year. Whilst Self Care fees remained the same during the year, Hostel fees are indexed to the increase in pension rates and are set by the Department of Health & Ageing.

**Expenditure** (operating) reduced during the year from \$1,170,816 in 2007 to \$1,161,615 in 2008. There were pressures on providoring (food) expenses and the utility charges, partly due to increased numbers of residents (full house), but also due to inflationary pressures. These are likely to continue into the coming financial year. Depreciation charges were up, reflecting the increase in capital

expenditure items on the balance sheet.

Salaries & wages remained steady during the period and this reflected the difficulty in recruiting a suitably qualified diversional therapist during the year. CHRV is now in the process of funding the training of one of the staff to qualify for this role.

**Cash Flow** improved over the financial period to close at a balance of \$4,683,577, an increase of \$1,301,863. The increasing cash balances are a reflection of Board policy (in increasing the bond balance requirements as well as generated surpluses).

**Capital expenditure** during the year totalled \$118,130 from a total approved amount of \$210,000 excluding the lift. The lift approval was \$310,000.

During the year capital funds were expended on, fire safety, rain water tanks, resurfacing of the village internal road, Self Care refits and proactive maintenance there-of, fence repairs, OH&S equipment, hot water tanks, curtains in the hostel, cool room – hostel, resident's internet access and some furniture and other equipment.

**Balance Sheet**, liquidity and ratios have improved. The coverage cash to bonds has improved from 52.71% to 60.91%, that is, for every one dollar of bond, there is cash coverage of 60.91 cents. Prudential requirements based on a formula required CHRV to have available in liquid funds \$1.28million in 2007/08 and for the year 2008/09, the required amount is \$1.08million. Liquidity well exceeds requirements.

The net assets / equity position increased from \$5.406million in 2007 to \$5.724million in 2008.

CHRV balance sheet and liquidity position continues to improve.



# Hostel Manager's Report

June 2008



**W**ell another year has flown by. We had two visits from the Agency which went extremely well. The validators

have also been out twice. The funding system changed over to ACFI on 20th March, 2008. The curtains for the residents rooms, computer room, sleepover room, library/hairdressing room and the far end of the upstairs corridor have all been put up. The residents continue to comment on how lovely and homely they look.

## Education:

2 Personal carers have finished their Cert III in Aged Care.

2 Personal carers are almost finished their Cert 111 in Aged Care

We have attended mandatory fire training, manual handling, as well as doing our Moving on Training monthly.

## Residents:

The majority of the residents remain the same. We have 11 new additions to the "family" and we have lost a few of the old loved ones. A lot of them are frailer and needing more physical care. We now have 11 residents that have walking frames and 3 residents with walking sticks. This makes it very hard to fit them all into the dining and lounge rooms. The residents have become like a family now and are looking after each other.

## New Admissions

We welcomed  
Therese, Dulcie, Neil, Evelyn, Victor, Kathleen, Helen, Elaine, Marilyn, Angus and John.

## Discharges:

Ruth Cawthorne was discharged to Hospital and then on to a Nursing Home 10/1/08

Ruth Coggins was discharged on the 18/9/07 to hospital and then onto Kuraingai Gardens Nursing Home where she eventually passed away.

Ruth Medlin was discharged to Hospital on 12/3/08 and then admitted to Bowden Brae Nursing Home where she passed away.

## Deceased:



**Ruth Medlin** born 01/01/1910.

Ruth was born in Homebush to an English mother and Australian Father and also

lived in Bexley and Padstow. She married Harry but had no children. Ruth enjoyed gardening growing flowers & vegetable. She enjoyed cooking, embroidery, flower arranging, sewing, dancing, drama, walking and art appreciation. Ruth came to Christophorus on 31/3/03 to be nearer to her sister Nancy Cameron. She was here till 8/4/08 when she had been in hospital but was unable to return to Christophorus and was transferred to Netherby to be nearer her sister. Sadly Ruth passed away there on 24th April, 2008.



**Ruth Coggins** born 25/2/1922.

Ruth was born in Sydney and lived in Mt Kuringai and Melbourne. She had 4 Children

David, Jeffrey, Allan and twins Valmai and Peter. Ruth was a tracer and wireless operator in the Airforce WAF and knew morse code.

Ruth enjoyed tennis, gardening, singing in choirs and making clothes. Ruth came to us from Self Care on 25/9/06 and was transferred to Hospital on 11/7/07 and from there she was transferred to Kuringai Gardens Nursing Home on 19/9/07. Ruth sadly passed away there.

## Activities:

Activities that we have enjoyed this year have been:

Bus outings to the Hunter Valley and wineries. We have commenced exercise classes with Sarah and they have proved very popular. Pet therapy with fang continues. We have celebrated Residents birthdays, Mothers Day, Fathers Day, St Patricks Day, Xmas in July, Xmas lunch.

We have been entertained by Rowlanda; a visiting pianist from America, Pymble Ladies College, Salvation Army, Hospital Singing Group and Ruth Wilcox.

Jan Garland has started a laughter group every week with the residents. We have the usual activities like carpet bowls, pancakes, quoits, pottery,

## Staff:

The staff have worked extremely hard this year under trying circumstances. The residents are becoming more frailer and requiring a lot more physical assistance. Julia has had her two knees replaced with new ones and has decided to call it a day and retired. Walter is still on limited hours after his return to work from workers compensation.

**Mary Carty**  
**Hostel Manager/Registered Nurse**

## Board of Directors

June 2008



### Robert Allerdice

B.A., LL.M (Tax Consultant)



Robert Allerdice holds Bachelor of Arts and Master of Laws degrees from the University of Sydney. He practised as a solicitor for 15

years, specialising in taxation law. He is currently employed by the Taxation Institute of Australia (a non profit, professional organisation) as a tax consultant. He has had a long association with both Inala and Christophorus House Retirement Village, and served on the Inala Board for a number of years. Robert seeks to ensure that Christophorus House achieves its aims of providing quality aged care in a financially sound environment.

### Rev. Sune Nielsen



Reverend Sune Nielsen was born in Denmark. He attended a local Steiner School from kindergarten to year 10 and then moved away from home to

attend year 11 and 12 at another larger Steiner School. Rev. Sune Nielsen's destiny led him to Finland where he spent 10 months working as a co-worker in a Camphill Village (caring for people with disabilities, termed villagers).

During the course of Rev. Sune Nielsens destiny path, he moved to Germany where he worked in various roles; farm hand, cheese factory, and a bakery where he trained as a baker and pastry chef. After four years, the calling returned and he made his way to the priest seminary in Stuttgart where he met his wife Anna. Rev. Sune Nielsen and his wife Anna eventually moved to Adelaide South. There he worked as a baker at a German owned bread bakery, whilst also trying to build up his own patisserie business. After operating his own business successfully for two years, the need to complete the priest training became his most important question and they closed down the little business and moved back to Germany. Rev. Sune Nielsen was ordained on the 12th March 2006 in Berlin. After working 20 months in Karlsruhe (south Germany) he was redirected to Sydney, where he has been working in The Christian Community as one of the two priests, since September 2007.

### Antonio Marques

B.A. (Hons.)



A high school teacher at Lorient Novalis School. He was CEO of Miroma, a Steiner based disability service from 1998 to 2002, having started with Miroma in

1995. Member of the Anthroposophical Society.

### Mary Arndell

B.A. (Hist) RN



Mary Arndell born in Queensland, came to Sydney and graduated as a registered nurse in the sixties. By a twist of fate, found herself at

Inala working as holiday relief but went to work for Inala and Anthroposophy for 25 years, both as a nursing sister and Senior Residential Services Manager. During this period gained a Bachelor of Arts (History). History, the classics, is her passion. On leaving Inala and after a months archaeological tour of Greece, Mary was asked to become the Hostel Manager of Christophorus House in August 1996. Resigned 2003 and became a director in 2005.

### Graham Long

B.Sc. B.E.



Prior to retiring last year, Graham had worked for almost 40 years as a professional engineer in the telecommunications industry, carrying out planning and design

work for large and small carriers in Australia. He is a member of the Anthroposophical Society in Australia.



# Corporate Governance Statement

June 2008



**C**hristophorus House (CHRV) has adopted systems of control and accountability as the basis of the administration of corporate governance. This statement gives an outline of the main corporate governance practices that were in place during the year.

CHRV has, where appropriate, adopted corporate governance practices that comply with each of the ten Corporate Governance Principles and the corresponding Best Practice Recommendations as published by the ASXCGC, unless otherwise stated.

## **Principle 1: Lay Solid Foundations for Management and Oversight Board of Directors**

CHRV is comprised entirely of non-executive directors, and certain members have specific functional responsibilities. The Board members provide visionary leadership to the organisation and are transparent and available to the members in their Board role. While the Board has overall control and management of CHRV, it may, subject to the Corporations Act and the CHRV Constitution, delegate a range of powers, duties and responsibilities to committees and management.

The Board meets eleven times a year for scheduled meetings and usually meets without the CEO for a set period. Board members are elected by the membership and may hold office for two years at which time they shall retire, but they shall be eligible for re-election. All Board members are requested to disclose related party transactions prior to their appointment

and these are updated each Board meeting.

Board members must attend at least one governance workshop to enhance their understanding of the law and Board responsibility.

Day to day management of the organisation's affairs and implementation of corporate strategy and policy initiatives are the responsibility of the Chief Executive Officer.

## **Chief Executive**

The Chief Executive (CEO) is accountable to the Board for the management of CHRV within the policy and authority levels reviewed and approved by the Board. The Board determines capital expenditure on the recommendation of the CEO; the CEO has authority to approve business transactions within the predetermined limits set by the Board in the budgetary process.

The CEO's responsibilities include advising the Board on strategic direction, ensuring the organisation conducts its affairs within the law and keeping the Board informed of all major business proposals and developments through regular reports.

## **Composition of the Board**

The Board is made up of directors with appropriate skills, experience and attributes for the organisation and its business.

All Directors have the right, at the Company's expense, to seek independent advice on any issues before the Board, or on the conduct of the Board or management. The Board's prior consent to obtaining such advice is required, but will not be unreasonably withheld.

## **Board Member Representatives**

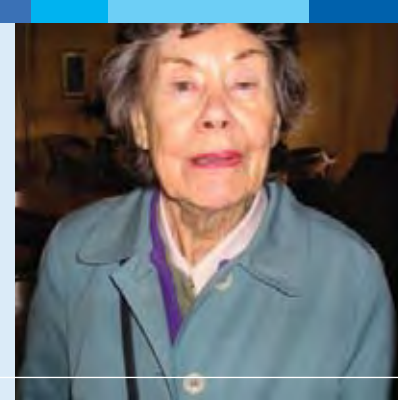
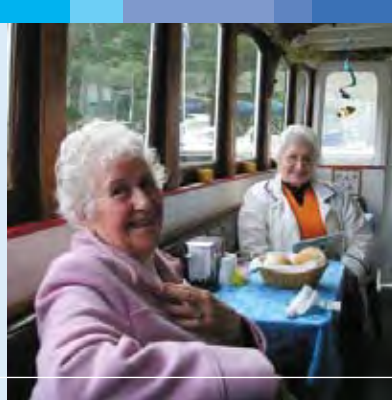
There are five permanent functional roles held by members of the Board, with Board members seconded from time to time to undertake various tasks on an ad hoc basis.

The permanent roles are Treasurer, responsible for the Board liaison with the CEO on all financial and audit matters; Hostel Liaison, in conjunction with the CEO, responsible for the Board liaison with the Hostel Manager on clinical and Hostel resident care; Self Care Liaison, in conjunction with the CEO, responsible for liaison with the Self Care residents, Strategic Planning Co-ordinator, and an Investment Committee comprising members of the Board. CHRV also has Hostel and Self Care residents committees.

## **Principle 2: Structure of the Board to add value**

The directors backgrounds and expertise are described on page 10. All directors are independent as defined by the ASXCGC guidelines.

Directors are appointed by the annual general meeting of the company and once elected remain in office for a term of two years.



### **Principle 3: Promote ethical and responsible decision making**

Members of the Board and staff are required to meet high standards of honesty and integrity. The Board and management are respectful of the various stakeholders associated with CHR V, including residents, families and members of the company and, in decisions which affect the medium to long term strategic future of CHR V, consult widely in order to effect, responsible decision making. The residents also have a Residents Committee which is set up under the Retirement Villages Act 1999 (and associated Regulations 2000) whereby residents have input into day to day aspects of Village life as well as budgetary considerations.

The staff Performance Review and Development process includes behavioural expectations.

### **Principle 4: Safeguarding integrity in financial reporting**

CHR V has in the CEO, a fellow of the Society of Certified Practising Accountants, who brings to the CEO portfolio the professional skill, knowledge and integrity as required of a CPA. Together with the Treasurer, the CEO assists the Board of Directors to discharge its responsibility for financial reports, internal control systems, and the operation of organisation risk management processes.

#### **External Auditors**

The annual audit is undertaken by Stirling SCI. Each year, the external auditors provide an annual declaration to the Board of their independence.

### **Principle 5: Make timely and balanced disclosure**

This principle is not relevant to CHR V given the nature of the organisation. CHR V does, however, disclose significant information to members as and when required.

### **Principle 6: Respect the rights of members**

CHR V is a public company limited by guarantee and is bound by Corporations law. Members have all the rights of shareholders under the Corporations Act. CHR V provides members with timely access to information about the activities of the Village, management and governance.

The annual general meeting enables members to attend the meeting and question the Honorary Chairman, the Honorary Treasurer and the Chief Executive.

### **Principle 7: Risk Management and manage risk**

CHR V works within a framework and policy which gives the organisation clear guidelines on how to assess risks and opportunities and identify the appropriate action plans. The risk management approach is used primarily to:

- ensure adherence to legislative and accreditation requirements
- protect the financial standing of the organisation
- provide quality services and manage safety risks to residents, and comprises:
  - audits (room / medications / OH&S / external financial)
  - adherence to its policies
  - new resident risk assessment
  - ongoing reassessments of residents needs

### **Principle 8: Encourage enhanced performance**

CHR V directors undertake training relevant to their roles on the Board.

Directors develop, in consultation with stakeholders, long term strategic objectives and plans for the organisation and monitor their performance in line with meeting these objectives.

CHR V Board also undertake annual performance reviews of the CEO.

### **Principle 9: Remunerate fairly and responsibly**

The Board considers the remuneration of the Chief Executive and senior management. The two highest paid executives are paid within the salary band of \$50K - \$100K.

No bonus incentive scheme is in place for staff.

### **Principle 10: Recognise the legitimate interests of stakeholders**

As mentioned in Principle 3, the Board members undertake to consult on all matters which impact the lives of CHR V residents, with residents, their family, and members of CHR V.

Prudential responsibilities require the Board to safeguard incoming contributions of residents, manage the organisation in a financially viable manner and ensure that suppliers to CHR V are paid in a timely manner.

The Board acknowledges the rights of residents and family to make complaints and hence a comprehensive policy and procedure document is available to residents in relation to this.

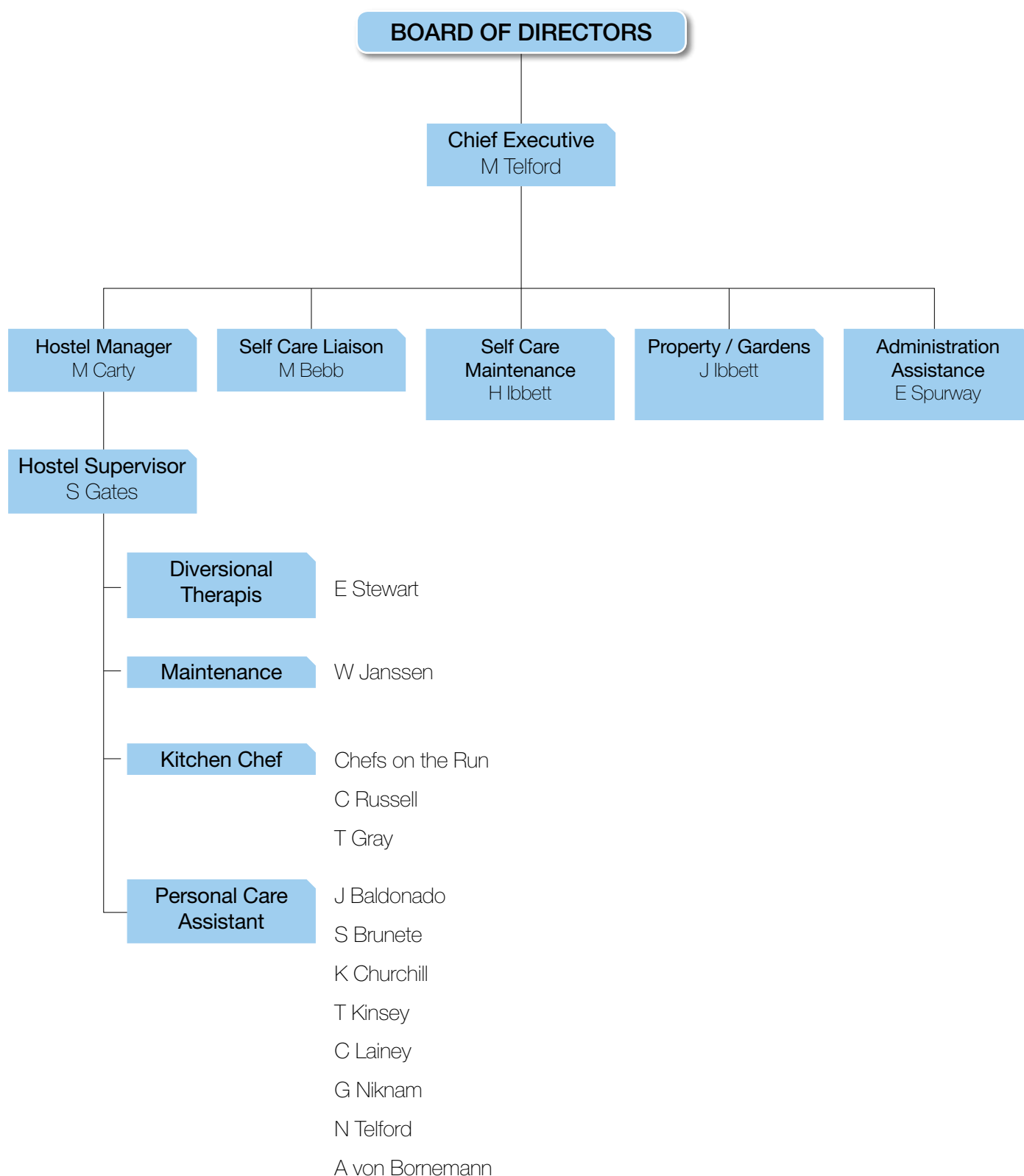


## Staff Members

June 2008



## Organisation Chart



# Self Care Residents' Committee

June 2008



From left to right: Veronica Grace, June Young, Margaret Green, Jan Garland, Bill Harris, Richard Harding Barbara Harding, Elizabeth Harding and Rosemary van Hoogstraten

## Chairperson's Report

The Residents' Committee was set up in May 2003 and exists to represent the interests of residents and to provide a channel of communication between residents and management. The Committee cannot make decisions on behalf of residents but can call meetings for residents to discuss and vote on matters requiring their consent.

During the past year the Committee again consulted with the CEO on several occasions regarding the Recurrent Fees Budget and approved the Budget for 2008/2009 in May. The CEO has circulated the Budget to all residents and residents will be pleased to see no increase in fees has been considered.

Our latest task has been to study the *Handbook for Self Care Residents* and we plan to meet with Milan to discuss certain recommended changes.

We were sad to lose two of our three women Board members this year. Joanna Jaaniste resigned in June 2007 and Phillippa Cordwell in February 2008.

Each has made a valuable contribution to our quality of life and they will be missed. We thank Joanna and Phillippa for their years of service and wish them every success in their future work.

In May this year, the Board co-opted a new member, Rev. Sune Nielsen, a Christian Community priest who recently began a Bible study group in the Cottage on the 2nd and 4th Tuesday of each month.

We look forward to a further meeting of residents/members and the Board regarding the Strategic Plan.

The decreased interaction between Self Care residents and Hostel staff and residents has been a cause of concern to the Committee. Once we experienced

our Village as a community of the whole and hope it will become that again.

Our financial position has improved significantly under the management of our present Board and CEO and we appreciate their success. We thank the Board for making funds available to upgrade units of Self Care residents beginning this financial year with those who have been longest in residence.

All current Committee Members belong to the Retirement Village Residents' Association (Inc) and we would encourage all residents to consider joining this Association. A review of the Retirement Villages Act 1999 has been underway since 2004. The R.V.R.A. made many submissions to the Office of Fair Trading to ensure that improved conditions for Retirement Village residents were included in new legislation. The Retirement Villages Amendment Bill was tabled in State Parliament on 23 November 2006 but has yet to become law.

We look forward to working with Monika Bebb in her new role as Liaison Officer for Self Care residents and realise how fortunate we are to have someone with her talents employed for our benefit.

The Committee sincerely thanks our Directors and Management Team for all their hard work and commitment to the wellbeing of all residents.

**Barbara Harding**  
Chair,  
Self Care Residents Committee



## Director's Report

for the year ended 30  
June 2008

Your Directors herewith submit the financial accounts of the Company for the financial year ended 30th June 2008

Details of Directors in office at the date of this report are;

Director	Occupation	Year Appointed as Director	Special Responsibilities
Robert Charles Allerdice	Tax Consultant	2005	Chairman / Treasurer
Phillippa Cordwell (resigned 24/02/08)	PhD Student	2004	Member
Graham Robert Long	Retired Engineer	2007	Self Care Liaison
Antonio Joaquim Ramos Marques	Secondary Teacher	2004	Strategic Planning
Mary Arndell	Registered Nurse	2005	Hostel Liaison
Sune Nielsen (appointed 21/04/08)	Priest	2008	Member

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

### Director's Meetings

During the year the Company held the following meetings of Directors. The attendance of the Directors at meetings of the Board were:

	Number eligible to attend	Number attended
Robert Charles Allerdice	12	12
Phillippa Cordwell	8	7
Graham Robert Long	12	11
Antonio Joaquim Ramos Marques	12	12
Mary Arndell	12	11
Sune Nielsen	2	2

### Principal Activities

The principal activities of the company in the course of the financial year were to provide a range of accommodation and accommodation services for the aged population, including independent living units, and hostel low to high care ageing-in-place support, encompassing social, spiritual and artistic impulses in accordance with the indications given by Dr Rudolf Steiner.

### Significant Changes

There has been no significant change in the nature of these activities during the financial year.

**Operating Result** The operating result for the year amounted to a surplus of \$328,803 (2007: 12 months \$194,025). The Company is exempt from Income Taxes and there was no income tax liability.

**Review of Operations** The result reflects an increase in income of 9.2% (\$125,575) and a marginal savings in overall costs of just under 1% (\$9,201). Increases in income were the result of a number of factors including, higher rates of interest, increased bond balances due to continued full occupancy throughout the year, resulting in higher interest earnings and retentions, increase in government subsidies in line with indexation and some grants for inhouse traineeships.

Despite pressure on costs in areas such as food and energy, and with increased depreciation charges from capital spent in the past two years, the overall costs were contained; the slight saving not being at the expense of any of the staff training and maintenance programs, nor service delivery and resident therapies.

The Company's Strategic Plan was presented to members, residents and friends and the moderate feedback was taken into account in the cycle of revisiting the plan. The new Aged Care Funding Instrument (ACFI), was introduced on March 20th, resulting in a change of direction in the strategic plan. The overall impact in the long term of ACFI, is estimated to be in the vicinity of 60% to 65% reduction of current levels of government funding. ACFI being designed to channel funds to 'high care' serviced residents, the need to change our service model in the Hostel and become more self sufficient through economies of scale has become imperative and the change in the Strategic Plan reflects this imperative.

**Dividends** The company is prohibited by its Memorandum and Articles of Association from paying dividends.

**Significant Changes in the State of Affairs** There were no significant changes in the state of affairs of the Company in the last 12 months.

**After Balance Date Events** Since the end of the financial year and for the period to the date of this report, no matters or circumstances have arisen that have or may significantly affect: -

- (i) the operations of the Company
- (ii) the result of those operations
- (iii) the state of affairs of the company in the financial year and subsequent to that ended 30 June 2008.



## Likely Developments and Results

As mentioned in the operational review above, the change to a new funding instrument in our Hostel, has also meant a change in the Board's strategic thinking. It has become imperative that additional funded beds are sought from the Department of Health & Ageing for viability purposes, from the funding rounds commencing in November. The extension of the Hostel has become a priority and planning is underway.

Christophorus House (CHRV) continues to pursue other Strategic projects, which however, can only go forward when suitable property adjoining our boundary becomes available for purchase.

With a waiting list of over 20 for independent living, it is most likely that we will continue with full occupancy in the coming year.

## Share Options

The Company's Memorandum and Articles of Association prohibit the issuing of shares or options.

## Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company, or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

## Directors Benefits

The Company purchases food products from supplier EM Arndell. EM Arndell is related to Director Mary Arndell. Supply of products to Christophorus House commenced prior to the appointment of Mary Arndell to the Christophorus House Board. Purchases are made at arms length by officers of the Company.

Director Mary Arndell has a relative resident at Christophorus House.


Director Robert Allerdice has a relative resident at Christophorus House.

Apart from the above, no director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company, controlled entity, or related body corporate with the director, a firm of which the director is a member or an entity in which the director has a substantial financial interest.

## Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been obtained.

Signed in accordance with a resolution of the Board of Directors.

Director   
Robert Allerdice

Director   
Antonio Marques

At Sydney, 18 August 2008



# STIRLING INTERNATIONAL

CHARTERED ACCOUNTANTS

## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF CHRISTOPHORUS HOUSE RETIREMENT VILLAGE

### Report on the Financial Report

We have audited the attached financial report of **Christophorus House Retirement Village** comprising the Directors' Declaration, Income Statement, Balance Sheet, Cash Flow Statement and notes to and forming part of the financial report for the year ended 30 June 2008.

The Company's directors are responsible for the preparation and presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

### Independence

In conducting our audit we followed applicable independence requirements of Australian professional and ethical pronouncements and the Corporations Act 2001.


In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration set out on page 19 of the financial report has not changed as at the date of providing our audit opinion.

### Auditor's Opinion

In our opinion the financial report of **Christophorus House Retirement Village** is in accordance with:

- (a) the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
  - (ii) complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Stirling International



RC Williams

Partner

At Sydney, 18<sup>th</sup> August 2008

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11th Floor, St James Centre, 111 Elizabeth Street, Sydney NSW 2000

GPO Box 7019, Sydney NSW 2001 A.B.N. 65 085 182 822

email [office@stirlinginternational.com.au](mailto:office@stirlinginternational.com.au)

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Telephone (02) 8236 7500 Facsimile (02) 8236 7599

Liability limited by a scheme approved under Professional Standards Legislation



## Auditor's independence declaration

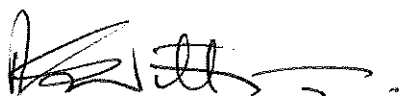
Under section 307c of the Corporations Act 2001  
To the Directors of  
Christophorus House Retirement Village Ltd

### AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE MEMBERS OF CHRISTOPHOROUS HOUSE RETIREMENT VILLAGE

I declare to the best of my knowledge and belief, during the year ended 30 June 2008 there have been

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**STIRLING INTERNATIONAL**  
Chartered Accountants



.....  
RC Williams

Signed at Sydney this Eighteenth August Two Thousand and Eight.

## Income Statement

for the year ended  
30 June 2008

	Note	2008 \$	2007 \$
<b>Revenue</b>	2	<b>1,490,416</b>	<b>1,364,841</b>
Salary and related expenses		(691,901)	(701,852)
Administration and other expenses	3	(214,687)	(232,745)
Property expenses		(164,777)	(175,740)
Depreciation		(43,649)	(37,529)
Cleaning and laundry expenses		(46,601)	(22,950)
<b>Profit for the year</b>		<b>328,801</b>	<b>194,025</b>

The accompanying notes form part of these financial statements.



# Balance Sheet

as at 30th June 2008

	Note	2008 \$	2007 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	4,683,577	3,381,714
Trade and other receivables	6	64,692	59,736
<b>Total Current Assets</b>		<b>4,748,269</b>	<b>3,441,450</b>
<b>NON CURRENT ASSETS</b>			
Financial assets	5	-	99,500
Property, plant and equipment	7	8,721,291	8,646,809
<b>Total Non-Current Assets</b>		<b>8,721,291</b>	<b>8,746,309</b>
<b>Total Assets</b>		<b>13,469,559</b>	<b>12,187,759</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	47,322	95,341
Short term provisions	9	26,463	24,271
<b>Total Current Liabilities</b>		<b>73,784</b>	<b>119,612</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	8	7,638,222	6,617,595
Long term provisions	9	34,047	44,851
<b>Total Non-Current Liabilities</b>		<b>7,672,269</b>	<b>6,662,446</b>
<b>Total Liabilities</b>		<b>7,746,053</b>	<b>6,782,058</b>
<b>NET ASSETS</b>		<b>5,723,506</b>	<b>5,405,701</b>
<b>EQUITY</b>			
Reserves	10	4,324,825	4,297,821
Retained earnings	11	1,398,681	1,107,880
<b>TOTAL EQUITY</b>		<b>5,723,506</b>	<b>5,405,701</b>

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

for the year ended  
30 June 2008

	\$	\$	\$	\$	\$	\$	\$	\$
	Retained	Asset	General	Concession	Fire	Social	Anthropo-	
	Earnings	Revaluation	Reserve	ILU	Protection	Club	sophical	Total
				Reserve	Fund	Fund	Fund	
<b>Balance at 1 July 2006</b>	916,355	4,186,595	45,994		56,965	2,658	12,127	5,220,694
Profit attributable to members	194,025							194,025
Transfers to and from reserves / funds								
- Fire Protection Fund					(8,716)			(8,716)
- Social Club Fund	(2,500)					(514)	212	(2,802)
Transfers from retained profits						2,500		2,500
<b>Balance at 30 June 2007</b>	<b>1,107,880</b>	<b>4,186,595</b>	<b>45,994</b>	<b>0</b>	<b>48,249</b>	<b>4,644</b>	<b>12,339</b>	<b>5,405,701</b>
Profit attributable to members	328,801							328,801
Transfers to and from reserves / funds								
- General Reserve			(45,994)					(45,994)
- Concessional ILU Fund	(33,000)			45,994				12,994
- Fire Protection Fund					(7,877)			(7,877)
- Social Club Fund	(5,000)					(3,169)		(8,169)
- Anthroposophical Fund							50	50
Transfers from retained profits				33,000		5,000		38,000
<b>Balance at 30 June 2008</b>	<b>1,398,681</b>	<b>4,186,595</b>	<b>0</b>	<b>78,994</b>	<b>40,372</b>	<b>6,475</b>	<b>12,389</b>	<b>5,723,506</b>



# Cash Flow Statement

for the year ended  
30 June 2008

	Note	2008 \$	2007 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Subsidies received		479,974	452,783
Receipts from residents		442,960	425,036
Interest received		259,362	206,130
Other income		32,115	28,038
Payments to suppliers and employees		(1,159,271)	(1,099,634)
<b>Net cash generated / (used) in operating activities</b>	<b>13(b)</b>	<b>55,140</b>	<b>12,353</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Long term investment liquidated		99,500	-
Purchase of property, plant and equipment		(118,130)	(104,693)
<b>Net cash used in investing activities</b>		<b>(18,630)</b>	<b>(104,693)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from entry contributions		1,739,800	1,578,100
Repayment of entry contributions		(474,447)	(1,490,806)
<b>Net cash provided by financing activities</b>		<b>1,265,353</b>	<b>87,294</b>
<b>Net increase in cash held</b>		<b>1,301,863</b>	<b>(5,046)</b>
<b>Cash at the beginning of the financial year</b>		<b>3,381,714</b>	<b>3,386,760</b>
<b>Cash at the end of the financial year</b>	<b>13(a)</b>	<b>4,683,577</b>	<b>3,381,714</b>

**Note:** Annual Income by way of retentions from entry contributions disclosed in note 2, is not recognised as cash from operating activities as it has already been received from proceeds of entry contributions. If these retentions were included in cash from operating activities, there would be a greater positive cash flow from operations.

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

for the year ended  
30 June 2008

### **Note 1: Statement of Significant Accounting Policies**

This financial report is a General Purpose Financial Report that has been prepared in accordance with the Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers Christophorus House Retirement Village Ltd as an individual entity. The Company is a Public Company Limited by Guarantee, incorporated in New South Wales under the Corporations Act 2001.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### **(a) Income Tax**

The Company is exempt from paying income tax.

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

Each class of property, plant and equipment are carried at costs or fair value, less, where applicable, any accumulated depreciation.

##### **Property**

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arms length transaction), based on periodic, but at triennial, valuations by external independent valuers. No depreciation has been provided on buildings on the grounds of immateriality and maintenance of buildings up to, as new standard.

Increases in the carrying amount arising on the variation of land and buildings are credited to a revaluation reserve in member's equity. The decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the Income Statement.

#### **Plant and equipment**

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the Company to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employed and their subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

## Notes to the Financial Statements

for the year ended  
30 June 2008

### Depreciation

Depreciation on furniture, equipment and fittings is calculated on a straight line basis so as to write off the cost of each fixed asset during its expected useful life. No depreciation has been provided for land and buildings as the directors consider that they are fully maintained in good repair and no depreciation in value or condition will occur.

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

Class of Fixed Asset	Depreciation Rate
Plant & Equipment	7.5% - 30.0%
Furniture and Fittings	7.5% - 30.0%
Office Equipment	7.5% - 30.0%
Motor Vehicles	20.0%

### (c) Residents' Loans

Residents of the Self Care Units and the Hostel are required to make a long-term interest free loan. Loans that are received are used to finance future unit and hostel accommodation capital expenditure or invested in conservative cash management accounts for on-going interest revenue.

Interest is now payable under the Aged Care Act 1997 and associated regulations, to pay interest on loans repayable to ex Hostel residents between the time that the room becomes vacant and appropriate documentation for release of funds, is received.

### (d) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Company, are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset, or over the term of the lease.

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

### (e) Financial Instruments

#### Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

### (i) Held-to-maturity investments

These investments have fixed maturities, and it is the Company's intention to hold these investments to maturity. Any held-to-maturity investments held by the Company are stated at amortised cost using the effective interest rate method.

### (ii) Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of *AASB139: Recognition and Measurement of Financial Instruments*. Derivatives are also categorized as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

### (iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.



## Notes to the Financial Statements

for the year ended  
30 June 2008

### **Note 1: Statement of Significant Accounting Policies (con't.)**

#### **(iv) Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities.

#### **(f) Employee Benefits**

Provision is made in respect of the Company's liability for long service leave and annual leave at balance date. Long Service leave is accrued in respect of employees after five years of employment.

#### **(g) Cash and Cash Equivalents**

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

#### **(h) Revenue**

Revenue from sale of services and goods is recognised upon the delivery of those services and goods to residents.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

#### **(i) Government Grants**

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income at time of expenditure on the asset.

Restricted Funds are funds received or reserves held that must be spent on the purpose for which they were received or are held.

They comprise:

- Government funding that must be spent in accordance with the terms of a funding agreement.
- Donations and bequests where the donor indicates a preference for the use to which the funds are to be used.
- Provisions for statutory entitlements due to employees

All other funds are unrestricted in that Directors have discretion to spend them on purposes for which the charity is established.

## Notes to the Financial Statements

for the year ended  
30 June 2008

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

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

### **(k) Fundraising Activities**

#### **Charitable Fundraising Act 1991:**

This Act and supporting Charitable Fundraising Regulation prescribe the manner in which fundraising appeals are conducted, controlled and reported in NSW. The amounts shown in Note 15 are in accordance with Authority Condition 7, which is issued to the 'Company under Section 19 of the Act.

### **Donations and Bequests**

Are returned as income as and only when received at the Company's administration offices or deposited to the Company's bank account. As specified in the Act, unsolicited donations, members' donations and bequests are not treated as fundraising income when determining information required by the Act. They are treated as gifts under the tax legislation.

### **Cost of fundraising**

Costs used in Note 15 include all direct fundraising costs in accordance with the Act.

### **(l) Impairment of Assets**

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed

to the income statement.

When it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The Company has reassessed its impairment testing policy and tested all assets for impairment at 30 June 2008. The impact of the change is estimated to be \$Nil.

## Notes to the Financial Statements

for the year ended  
30 June 2008

	2008 \$	2007 \$
<b>Note 2: Revenue</b>		
Operating activities		
Government grants	479,974	452,783
Fees	442,960	425,036
Retentions	251,870	252,854
Interest received	283,497	206,130
Donations & bequests	327	334
Other	8,622	3,536
Other miscellaneous income	23,166	24,168
<b>Total Revenue</b>	<b>1,490,416</b>	<b>1,364,841</b>
<b>Note 3: Profit from Ordinary Activities</b>		
<b>(a) Expenses</b>		
Depreciation of property, plant and equipment	43,649	37,529
Remuneration of auditor	7,500	5,998
Interest paid	1,469	10,429
Provision for annual leave	2,192	(1,086)
Provision for long service leave	(5,275)	(9,521)
<b>(b) Significant Expenses</b>		
Salaries & wages & related expenses	691,901	701,852
<b>Note 4: Cash and Cash Equivalents</b>		
Cash on hand	3,095	2,000
Cash at bank - cheque accounts	2,743	14,418
Cash at bank - cash management accounts	2,427,743	356,530
Short-term bank deposits	2,249,996	3,008,766
<b>Total Cash and Cash Equivalents</b>	<b>4,683,577</b>	<b>3,381,714</b>
<b>Note 5: Other Financial Assets</b>		
Long-term bank deposits	-	99,500
<b>Note 6: Trade and Other Receivables</b>		
Trade receivables	19,183	7,532
Prepayments & other debtors	45,509	52,204
<b>Total Trade and Other Receivables</b>	<b>64,692</b>	<b>59,736</b>



# Notes to the Financial Statements

for the year ended  
30 June 2008

## Note 7: Property, Plant and Equipment

### Land and Buildings

Freehold land at:

- at cost
- at independent valuation 2005

#### Total Land

Buildings and Improvements at:

- at cost
- at independent valuation 2005

#### Total Buildings and Improvements

#### Total Land and Buildings

### Plant and Equipment

- Furniture and fittings - at cost
- Less: accumulated depreciation

#### Total Furniture and Fittings

- Plant and equipment - at cost
- Less: accumulated depreciation

#### Total Plant and Equipment

- Motor vehicle
- Less: accumulated depreciation

#### Total Motor Vehicle

#### Total Property, Plant and Equipment

2008  
\$

2007  
\$

-	-
4,205,000	4,205,000
<b>4,205,000</b>	<b>4,205,000</b>
78,084	42,959
4,225,000	4,225,000
<b>4,303,084</b>	<b>4,267,959</b>
<b>8,508,084</b>	<b>8,472,959</b>
133,157	82,058
28,006	24,512
<b>105,151</b>	<b>57,546</b>
423,174	391,918
315,674	275,614
<b>107,500</b>	<b>116,304</b>
39,213	38,563
38,658	38,563
<b>555</b>	<b>-</b>
<b>8,721,291</b>	<b>8,646,809</b>

Land and buildings were revalued on 1 December 2005 by independent valuers. Valuations were made on the basis of open market value. The revaluation surplus was credited to an asset revaluation reserve in the "members' equity".

# Notes to the Financial Statements

for the year ended  
30 June 2008

2008  
\$

## Note 7 cont.

### (a) 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

	Freehold Land	Buildings	Plant and Equipment & Vehicles	Furniture & Fittings & Development	Total
	\$	\$	\$	\$	\$
Balance at the beginning of the year	4,205,000	4,267,959	116,299	57,551	8,646,809
Additions		35,125	31,906	51,099	118,131
Disposals					
Revaluation Increments /- (Decrements)					
Depreciation	-	-	(40,155)	(3,494)	(43,649)
<b>Carrying amount at the end of the year</b>	<b>4,205,000</b>	<b>4,303,084</b>	<b>108,050</b>	<b>105,156</b>	<b>8,721,291</b>

(b) Had land and buildings been stated at historical cost amounts they would be as follows:

Cost - (Land & Buildings)	4,340,867	4,340,867
Accumulated Depreciation		
<b>Net book value</b>	<b>4,340,867</b>	<b>4,340,867</b>

2008  
\$

2007  
\$

## Note 8: Trade and other payables

### Current

Sundry creditors and accruals	42,242	88,261
Loans and deposits	5,080	7,080
	<b>47,322</b>	<b>95,341</b>

### Non Current

Entry contributions - Self care units	4,633,081	4,503,196
Entry contributions - Hostel	3,005,141	2,114,399
	<b>7,638,222</b>	<b>6,617,595</b>

Please Note: As at 30th June, entry contributions contracted and due totalled \$584,000.

# Notes to the Financial Statements

for the year ended  
30 June 2008

	2008 \$	2007 \$
<b>Note 9: Provisions</b>		
<i>Current</i>		
Annual leave provision	26,463	24,271
	<u>26,463</u>	<u>24,271</u>
<i>Non Current</i>		
Long service leave provision	24,275	29,549
Deferred maintenance - Hostel	9,772	15,302
	<u>34,047</u>	<u>44,851</u>
<b>Note 10: Funds and Reserves</b>		
<b>Funds and Reserves Total</b>		
Opening Balance	4,297,821	4,304,339
Transfers In	84,044	2,967
Transfers Out	(57,040)	(9,485)
Closing Balance	<u>4,324,825</u>	<u>4,297,821</u>
<b>General Reserve Fund</b>		
Opening Balance	45,994	45,994
Transfers In		
Transfers Out	(45,994)	-
Closing Balance	<u>-</u>	<u>45,994</u>
<b>Concessional ILU Reserve</b>		
Opening Balance		
Transfers In	78,994	
Transfers Out	-	-
Closing Balance	<u>78,994</u>	<u>-</u>
<b>Special Reserve Fund - Fire Protection</b>		
Opening Balance	48,249	56,965
Transfers In	-	-
Transfers Out	(7,877)	(8,716)
Closing Balance	<u>40,372</u>	<u>48,249</u>
<b>Social Club Fund</b>		
Opening Balance	4,644	2,658
Transfers In	5,000	2,755
Transfers Out	(3,169)	(769)
Closing Balance	<u>6,475</u>	<u>4,644</u>
<b>Anthroposophical Bequests Fund</b>		
Opening Balance	12,339	12,127
Transfers In	50	212
Transfers Out	-	-
Closing Balance	<u>12,389</u>	<u>12,339</u>
<b>Asset Revaluation Reserve</b>		
Opening Balance	4,186,595	4,186,595
Increase in valuation of property	-	-
Closing Balance	<u>4,186,595</u>	<u>4,186,595</u>



# Notes to the Financial Statements

for the year ended  
30 June 2008

	2008 \$	2007 \$
<b>Note 11: Retained Earnings</b>		
<i>Retained Earnings at the beginning of the financial year</i>	1,107,880	916,355
Net Profit for the year	328,801	194,025
Transfer to Social Club Fund	(38,000)	(2,500)
<b>Retained Earnings at the end of the financial year</b>	<b>1,398,681</b>	<b>1,107,880</b>
<b>Note 12: Segment Reporting</b>		
The Company only operates in NSW Australia.		
<b>Note 13: Cash Flow Information</b>		
<b>(a) Reconciliation of Cash</b>		
Cash on Hand	3,095	2,000
Cash at Bank	2,430,487	370,948
Short-term bank deposits	2,249,996	3,008,766
	<b>4,683,577</b>	<b>3,381,714</b>
<b>(b) Reconciliation of Cash Flow from operations with profit from Ordinary Activities</b>		
Profit from ordinary activities	328,801	194,025
Non-cash flows in profit from ordinary activities:		
- amortisation of entry contributions	(251,870)	(252,854)
- charges to provisions	17,218	53,799
- depreciation	43,649	37,529
Cash flow in operating activities but not in profit from ordinary activities:-		
- payments out of provision and reserves	(36,825)	(40,535)
<b>Changes in Assets &amp; Liabilities</b>		
- (Increase) / Decrease in trade and term receivables	19,179	(24,883)
- Increase /(Decrease) in trade and term payables	(65,012)	45,272
<b>Net Cash Generated / (used) in Operating Activities</b>	<b>55,140</b>	<b>12,353</b>
<b>(c) Financing Arrangements</b>		
Standby arrangements to provide funds and support		
Credit facilities	-	-
Amount Utilised	-	-
<b>Unused Credit Facility</b>	<b>-</b>	<b>-</b>

## Notes to the Financial Statements

for the year ended  
30 June 2008

### Note 14: Company Details

The principal place of business of the Company is:  
Christophorus House Retirement Village  
396 Pacific Highway, Hornsby NSW 2077

### Note 15: Fundraising and Donations Income and Expenses

	2008	2007
	\$	\$
<b>(i) Details of Aggregate Gross Income</b>		
Gross Proceeds from Fundraising and Donations	327	334
Less: Cost of Fundraising and Donations		
<b>Net Surplus of Fundraising and Donations</b>	<b>327</b>	<b>334</b>

### (ii) Application of Funds for Charitable Purposes

During the year the Company achieved a net surplus of \$nil from fundraising and donations activities defined under the Charitable Fundraising Act.

### (iii) Fundraising Conducted Jointly with Traders

No appeals were conducted jointly with traders in the year ended 30 June 2008.

### Note 16: Members' Guarantee


The Company is limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$50 each towards the meeting of any outstanding obligation of the company. At 30th June 2008 the number of members was 58 (2007: 65).

## Director's Declaration

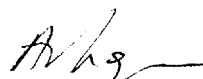
The Directors of the Company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001: and
  - a) comply with the Accounting Standards and the Corporations Regulations 2001; and
  - b) give a true and fair view of the Company's financial position as at 30th June 2008 and of its performance for the year ended on that date of the Company
2. The Chief Executive Officer has declared that:
  - a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001.
  - b) the financial statements and notes for the financial year comply with the Accounting Standards; and
  - c) the financial statements and notes for the financial year give a true and fair view.
3. In the Director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become fall due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director  .....

Robert Allerdice

Director  .....

Antonio Marques

Signed at Sydney this Eighteenth August Two Thousand and Eight.



## Supplementary Statement Income Statement<sup>(detailed)</sup>

for financial year ended  
30th June 2007

	2008 \$'000's	2007 \$'000's
<b>Income</b>		
Revenues from Government	480.0	452.8
Fees	443.0	425.0
Retentions	251.9	252.8
Interest Earned	283.5	206.1
Donations & Bequests	0.3	0.3
Other	31.7	27.8
<b>Total Income</b>	<b>1,490.4</b>	<b>1,364.8</b>

## Supplementary Statement Income Statement<sub>(detailed)</sub>

for financial year ended  
30th June 2007

	2008 \$'000's	2007 \$'000's
<b>Expenditure</b>		
Employment related expenses	691.9	698.7
Food	74.8	63.2
Repairs & Maintenance	62.9	65.7
Depreciation	43.6	37.5
Cleaning	33.5	13.1
Gardening	30.1	29.9
Utilities	29.9	24.9
Professional Expenses	29.1	33.0
Insurances	19.7	31.1
Staff /Board Training	17.4	21.4
Therapies	16.7	15.6
Laundry	13.1	9.8
Printing & Stationery	12.8	14.2
Marketing & Advertising	9.4	8.7
Equipment	9.1	11.0
Telephone & Internet	8.9	10.1
Water	7.6	9.6
Audit Fees	7.5	6.0
Fire Protection	5.5	5.3
Subscriptions	4.5	4.9
Pharmaceuticals	4.3	3.9
Donations	2.8	3.0
Motor Vehicle Expenses	2.6	3.6
Bank Fee	1.8	1.6
Interest Paid	1.5	10.4
Directors Costs	0.1	0.3
Accreditation	-	3.4
Other	20.5	30.9
<b>Total Expenditure</b>	<b>1,161.6</b>	<b>1,170.8</b>
<b>Net Profit</b>	<b>328.8</b>	<b>194.0</b>

# Charter Of Residents' Rights And Responsibilities

June 2008

## Preamble

Every person has the right to freedom and respect and the right to be treated fairly by others. A person's rights do not diminish when he or she moves into a nursing home or hostel, regardless of his or her physical or mental frailty or ability to exercise or fully appreciate his or her rights.

A positive, supportive and caring attitude by family, friends, nursing home or hostel proprietors and staff, carers and the community will help people who live in nursing homes or hostels to continue as integral, respected and valued members of society.

Australian society has a strong commitment to social justice principles. Those principles recognise the aspirations of all Australians to a dignified and secure way of life with equal access to health care, housing and education, and equal rights in civil, legal and consumer matters. They form the basis of a society, which is free of prejudice and is caring, just and humane.

This Charter affirms those social justice principles.

The personal, civil, legal and consumer rights of each resident are not diminished in any way when he or she moves into a nursing home or hostel.

The Charter also recognises that residents of nursing homes or hostels have the responsibility to ensure that the exercising of their individual rights does not affect others' individual rights, including those providing care. The Charter recognises that residents have specific rights and responsibilities which balance the needs of the individual against the needs of the nursing home

and hostel community as a whole.

Each resident of a residential care service has the RIGHT:

- to full and effective use of his or her personal, civil, legal and consumer rights;
- to quality care appropriate to his or her needs;
- to full information about his or her own state of health and about available treatments;
- to be treated with dignity and respect, and to live without exploitation, abuse or neglect;
- to live without discrimination or victimisation, and without being obligated to feel grateful to those providing his or her care and accommodation;
- to personal privacy;
- to live in a safe, secure and homelike environment, and to move freely both within and outside the residential care service without undue restriction;
- to be treated and accepted as an individual, and to have his or her individual preferences taken into account and treated with respect;
- to continue his or her cultural and religious practices, and to keep the language of his or her choice, without discrimination;
- to select and maintain social and personal relationship with anyone else without fear, criticism or restriction;
- to freedom of speech;
- to maintain his or her personal independence;
- to accept personal responsibility for his or her own actions and choices, even though these may involve an element of risk, because the resident has the right to accept the risk and

not to have the risk used as a ground for preventing or restricting his or her actions and choices;

- to maintain control over, and to continue making decisions about, the personal aspects of his or her daily life, financial affairs and possessions;
- to be involved in the activities, associations and friendships of his or her choice, both within and outside the residential care service;
- to have access to services and activities available generally in the community;
- to be consulted on, and to choose to have input into, decisions about the living arrangements of the residential care service;
- to have access to information about his or her rights, care, accommodation and any other information that relates to the residents personally;
- to complain and to take action to resolve disputes;
- to have access to advocates and other avenues of redress; and
- to be free from reprisal, or a well-founded fear of reprisal, in any form for taking action to enforce his or her rights.

Each resident of a residential care service has the RESPONSIBILITY:

- to respect the rights and needs of other people within the residential care service, and to respect the needs of the residential care service community as a whole;
- to respect the rights of staff and the proprietor to work in an environment free from harassment;
- to care for his or her own health and well-being, as far as he or she is capable; and
- to inform his or her medical practitioner, as far as he or she is able,

# Betty Ainsworth

## A Time of Reflection



I was born in Dulwich Hill in July 1912. There were seven children in the family, four sisters and two brothers, I was the sixth child. My mother's family lived around the Murwillumbah area; they moved around the area a fair deal and were farming folk. They weren't rich people, they had convict ancestors with a Celtic origin. My father had a grandfather who was a convict and came from a family of 9. When he was quite a young man he came to Sydney and took up business in drapery. He became quite a rich man and was very clever in that respect. We had a very nice house, everything was beautiful, until the crash came; then my father lost all his money. But his family stood behind him, we didn't care that much about the loss of wealth, we all had to get jobs and that is how we grew up. We were quite happy as we were and we all had other interests. Eventually, with help from friends, my father went back into a new drapery business and soon got back on his feet.

I went to several schools when I was a little girl and was enrolled in Pymble Ladies College, for my secondary education. I left fairly early as that was when my father lost his money. I was 16 and went to business college and learnt shorthand and typing.

My first job was with Professor Lanvie, he was the head of the new medical department building at the University of Sydney. He was writing two huge volumes on medical themes and I was his typist. I was a great success in that

position and was very happy to have a job. It took 6 years to get those two volumes of clinical diagnosis typed.

After that I began my nursing career. I finished my training without too much difficulty. I was all set up to go to Camphill in Scotland – a home for disabled children; I wanted to become a permanent person in curative education, but unfortunately I became ill. I eventually worked at Inala and then Warrah in Sydney, two homes for the disabled based on the Anthroposophical approach of care. I did go to Camphill in Aberdeen Scotland around 1952.

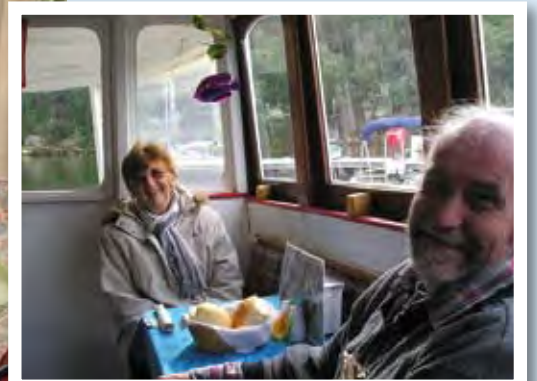
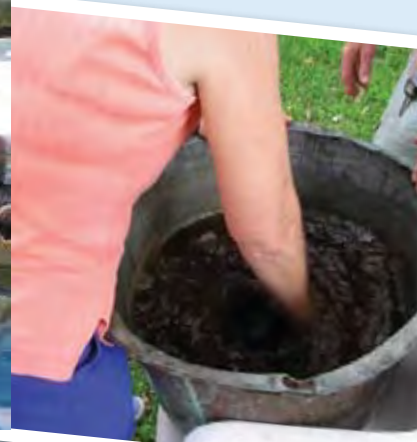
When I was about 14, I first met Anthroposophy. My sister had come home aged 28 having met Rudolf Steiner. She so inspired me that I became a sort of Anthroposophist in waiting. I was too young to explore Anthroposophy so I spent those years inspired by life in all its beauty.

I began learning the piano very early. Interestingly it was through the learning of the piano that I had my first intimation that I would not have an easy life. I had to give up my lessons for a while and that was very hard to do, as I felt that it should have been my main career.

What I have learnt from life? Life is never going to be what you thought it was going to be. It is full of surprises. You can plan it as much as you like but it doesn't always turn out the way you thought it would. Nevertheless you should enjoy life.

**Betty Ainsworth**









**CHRISTOPHORUS HOUSE**

retirement village