

ECH INC.

FINANCIAL REPORT

30 JUNE 2014

**ECH INC.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

Page 1

| | Note | 2014 \$'000 | 2013 \$'000 |
|---|-------------|------------------------|------------------------|
| Revenue | 3 | 122,148 | 125,808 |
| Other income | 3 | 79,591 | 141 |
| Employee benefits expense | 4 | (81,219) | (86,922) |
| Depreciation and amortisation expense | 4 | (14,829) | (14,747) |
| Other expenses | 4 | (24,679) | (27,743) |
| Profit / (Loss) for the year | | 81,012 | (3,463) |
| Other comprehensive income | | | |
| Net gain / (loss) on revaluation of investment securities | | (1,130) | 1,402 |
| Other comprehensive income for the year | | (1,130) | 1,402 |
| Total comprehensive income for the year | | 79,882 | (2,061) |

The accompanying notes form part of these financial statements

ECH INC.
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

Page 2

| ASSETS | Note | 2014 | 2013 |
|--------------------------------------|-------------|----------------|----------------|
| | | \$'000 | \$'000 |
| Current assets | | | |
| Cash and cash equivalents | 5 | 751 | 630 |
| Trade and other receivables | 6 | 10,358 | 16,980 |
| Financial assets | 7 | 132,942 | 1,286 |
| Inventories | 2(ix) | 102 | 319 |
| Total current assets | | 144,153 | 19,215 |
| Non-current assets | | | |
| Financial assets | 7 | - | 12,699 |
| Property, plant and equipment | 8 | 171,736 | 278,626 |
| Intangible assets | 9 | - | 10,873 |
| Total non-current assets | | 171,736 | 302,198 |
| Total assets | | 315,889 | 321,413 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 10 | 2,201 | 4,340 |
| Amounts payable to residents | 11 | 68,685 | 132,672 |
| Provision for workers compensation | 2(xiv) | 237 | 365 |
| Short term provisions | 12 | 3,030 | 8,277 |
| Other liabilities | 13 | 890 | 14,645 |
| Total current liabilities | | 75,043 | 160,299 |
| Non-current liabilities | | | |
| Provision for workers compensation | 2(xiv) | 1,327 | 1,225 |
| Long term provisions | 12 | 576 | 828 |
| Total non-current liabilities | | 1,903 | 2,053 |
| Total liabilities | | 76,946 | 162,352 |
| NET ASSETS | | 238,943 | 159,061 |
| EQUITY | | | |
| Retained earnings | | 188,855 | 103,908 |
| Reserves | | 50,088 | 55,153 |
| TOTAL EQUITY | | 238,943 | 159,061 |

The accompanying notes form part of these financial statements

ECH INC.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

Page 3

| | Retained Earnings | Asset Revaluation Reserve | Share Revaluation Reserve | Total |
|---|----------------------|---------------------------------|---------------------------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at 1 July 2012 | 107,371 | 54,023 | (272) | 161,122 |
| Profit / (Loss) for the year | (3,463) | - | - | (3,463) |
| Total other comprehensive income for the year | - | - | 1,402 | 1,402 |
| Balance at 30 June 2013 | 103,908 | 54,023 | 1,130 | 159,061 |
| Profit / (Loss) for the year | 81,012 | - | - | 81,012 |
| Total other comprehensive income for the year | - | - | (1,130) | (1,130) |
| Transfer to retained earnings | 3,935 | (3,935) | - | - |
| Balance at 30 June 2014 | 188,855 | 50,088 | - | 238,943 |

The accompanying notes form part of these financial statements

ECH INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

Page 4

| | Note | 2014 \$'000 | 2013 \$'000 |
|--|------|-------------------|-------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | | 115,953 | 124,498 |
| Payments to suppliers and employees | | (106,965) | (111,734) |
| Investment income received | | 666 | 949 |
| Net cash provided by operating activities | 14 | <u>9,654</u> | <u>13,713</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Payments for property, plant and equipment | | (7,397) | (36,426) |
| Payments for other financial assets | | (119,024) | (618) |
| Proceeds from other financial assets | | 567 | 3,304 |
| Proceeds from sale of property, plant and equipment | | 120,937 | 1,437 |
| Net cash used in investing activities | | <u>(4,917)</u> | <u>(32,303)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| (Payments) / Proceeds of loans from financial institutions | | (14,046) | 14,046 |
| Proceeds of loans from residents | | 34,157 | 27,323 |
| Refunds of loans to residents | | (24,727) | (23,762) |
| Net cash provided by financing activities | | <u>(4,616)</u> | <u>3,561</u> |
| Net increase / (decrease) in cash held | | 121 | (983) |
| Cash and cash equivalents at beginning of the year | | 630 | 1,613 |
| Cash and cash equivalents at end of the year | 5 | <u>751</u> | <u>630</u> |

The accompanying notes form part of these financial statements

1. INTRODUCTION

ECH Inc. (ECH) is an Association Incorporated in South Australia under the Associations Incorporation Act 1985 (SA) and is a Registrable Australian Body (157 743 587).

Operations and principal activities

To provide quality affordable homes and support to enrich the lives of older people.

Registered office

174 Greenhill Road, Parkside, South Australia, 5063.

Authorisation of financial report

The financial report was authorised for issue on the 25th September 2014 by the Board of Directors of ECH.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(i) Overall policy

The principal accounting policies adopted by ECH are stated in order to assist in a general understanding of the financial report.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Associations Incorporation Act 1985.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board (AASB) has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified (where applicable) by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(ii) Financial instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

Financial instruments are subsequently measured at either *fair value*, *amortised cost* using the *effective interest method* or *cost*.

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments;
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (iv) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The entity does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ii) Financial Instruments (continued)

(a) 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 subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which are classified as non-current assets.

(b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which are classified as current assets.

(c) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value of all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Statement of Comprehensive Income.

Derecognition

Financial assets are derecognised where the contractual rights to the receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the Statement of Comprehensive Income.

(iii) Revenue recognition

(a) Provision of services - government subsidies and residents' contributions

Income from the provision of services is recognised when the service is performed.

(b) Dividend revenue

Dividend revenue is recognised when the right to a dividend is established.

(c) Sale of goods

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

(d) Interest revenue

Interest revenue is recognised using the effective interest method, which, for floating rate financial assets is the rate inherent in the instrument.

(e) Rent

Rent for independent living units is collected in advance. The rent is recorded as deferred income until it is earned.

(iv) Government grants

Grants received are conditional on them being used in accordance with the conditions attached. Grants are recognised in the profit for the year over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis according to the conditions of the grants.

Grants related to assets are presented in the Statement of Financial Position by setting up the grant as deferred income.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Investment securities

ECH's investments in shares, managed portfolios, income securities and property trusts are measured at fair value determined by reference to quoted market prices.

(vi) Income taxes

In accordance with the provisions of the Australian Income Tax Assessment Act, the entity is exempt from income tax.

(vii) Impairment of assets

At the end of each reporting period, the entity reviews the carrying value 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 Statement of Comprehensive Income.

Impairment testing is performed annually for intangible assets with indefinite lives.

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

The Tiwi Residential Care Centre was subject to impairment testing as at 30 June 2014. As the carrying value exceeded the fair value, an amount has been expensed to the Statement of Comprehensive Income.

(viii) Receivables

Trade accounts, notes receivable and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful debts.

(ix) Inventories

Inventories comprising food, medical supplies and refurbishing materials are valued at the lower of cost and current replacement cost. Costs have been assigned to inventory quantities on hand at reporting date using the first in first out (FIFO) basis.

(x) Property, plant & equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Land & buildings

Land and buildings are carried at deemed cost as at 1 July 2000 and additions since that date are carried at cost.

On 30 May 2014 ECH divested its Residential Care business operations in South Australia in a transaction to Allity Pty Ltd. The proceeds for the Marten Residential Care Centre are held in escrow pending the completion of a land division. The Tiwi Residential Care Centre in Darwin will be sold to Regis Aged Care Pty Ltd in a transaction in November 2014.

Tiwi Residential Care Centre was impaired to reflect its current fair value.

Corporate facilities were valued as at 30 June 2013 by Aon Risk Services Pty Ltd. The result was a market valuation of \$7.6 Million (Land: \$3.0 Million, Buildings: \$4.6 Million). The net book value of these assets at 30 June 2014 was \$5.3 Million. ECH has chosen to continue to use the cost model for land and buildings.

Independent Living properties were valued as at 30 June 2014 by AON Risk Services Pty Ltd. The result was a valuation for insurance purposes of \$343.4 Million. The Net Book Value of these asset at 30 June 2014 was \$131.6 Million. ECH has chosen to continue to use the cost model for land and buildings.

Furniture, fittings, motor vehicles and equipment

Furniture, fittings and equipment are measured on a cost basis and depreciated over their useful lives.

Work in progress

Work in progress is measured on a cost basis and represents mainly building under construction.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

| Class of fixed asset | Depreciation rate |
|----------------------|-------------------|
| Buildings | 2.5% - 8.0% |
| Plant and equipment | 10.0% - 20.0% |
| Computer equipment | 33.3% |
| Motor vehicles | 20.0% |

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Property, plant & equipment (Continued)

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(xi) Goodwill

Goodwill represents future economic benefits arising from assets that are not capable of being individually identified and separately recognised.

(xii) Amounts payable

Resident loans (Residential Care and Independent Living) are controlled by individual contracts and government legislation, both of which require repayment of the loan balance within a short period of time of the resident leaving the residential site or retirement unit. The Australian Government guarantees the repayment of residential care loans. To recognise this repayment requirement all resident loans are recorded as a current liability. The liability covers the maximum potential repayment of each resident's contribution which is repayable at the time the resident leaves ECH.

Trade accounts and other payables represent the principal amounts outstanding at balance date plus (where applicable) any accrued interest.

(xiii) Employee benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. These cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by ECH to employee superannuation funds and are charged as expenses when incurred.

(xiv) Workers compensation

ECH is self-insured with respect to workers compensation (Workcover Corporation) within South Australia. Provision is made for ECH's liability for workers compensation claims. The amount has been determined following evaluation by an independent actuary. The assessed liability for outstanding claims includes liabilities for both reported claims and claims which may have been incurred but not reported at balance date. The provision amount allows for liabilities which may arise from the necessity to reopen a claim, unforeseen deterioration of claims and from any recoveries from third parties.

ECH enlists the services of GIO Australia Holdings Limited to provide insurance in relation to workers compensation in the Northern Territory.

(xv) Funds held in trust

ECH previously held funds on behalf of the Residential Care Centre Auxiliaries. These are disclosed as liabilities in the Statement of Financial Position. Following the sale of Residential Care Centres to Allity Pty Ltd, these amounts have been reimbursed.

(xvi) Events after reporting date

Assets and liabilities are adjusted for known events occurring after the reporting date as if they had occurred within the reporting period.

(xvii) Comparative figures

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

(xviii) New and revised accounting standards

Employee benefits

ECH adopted AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) from the mandatory application date of 1 January 2013. ECH has applied these Standards retrospectively in accordance with AASB 108 and the transitional provisions in AASB 119 (September 2011).

For the purpose of measurement, AASB 119 (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. In accordance with AASB 119 (September 2011), provisions for short-term employee benefits are measured at the (undiscounted) amounts expected to be paid to employees when the obligation is settled. Provisions that do not meet the criteria for classification as short-term employee benefits (i.e. other long-term employee benefits) are measured at the present value of the expected future payments to be made to employees.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(xviii) New and revised accounting standards (Continued)

As ECH expected that all of its employees would use all their annual leave entitlements earned during a reporting period within 12 months after the end of the reporting period, adoption of AASB 119 (September 2011) did not have a material impact on the amounts recognised in respect of the association's employee provisions. Note also that adoption of AASB 119 (September 2011) did not affect the classification of leave entitlements between current and non-current liabilities in ECH's financial statements.

AASB 119 (September 2011) also introduced changes to the recognition and measurement requirements applicable to termination benefits and defined benefit plans. ECH did not have any of these types of obligations in the current or previous reporting period, therefore these changes did not affect ECH's financial statements.

Fair value measurement

The entity has applied AASB 13: Fair Value Measurement, and the relevant consequential amendments arising from the related Amending Standards, prospectively from the mandatory application date of 1 January 2013 in accordance with AASB 108 and the specific transitional requirements in AASB 13.

No material adjustments to the carrying amounts of any of ECH's assets or liabilities were required as a consequence of applying AASB 13. Nevertheless, AASB 13 requires enhanced disclosures for both assets and liabilities measured at fair value and other recurring fair value measurements disclosed in ECH financial statements. These enhanced disclosures are provided in Note 23.

New Accounting Standards for Application in Future Periods

An assessment of Accounting Standards and Interpretations that have been recently issued or amended by the AASB but are not yet mandatorily applicable to the entity have not been adopted by ECH for the year ended 30 June 2014.

(xix) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). 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.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis, except for the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO. The GST component of financing and investing activities which is recoverable from, or payable to, the ATO is classified as part of operating cash flows. Accordingly, investing and financing cash flows are presented in the Statement of Cash Flows net of the GST that is recoverable from, or payable to, the ATO.

3. REVENUE

| | 2014 \$'000 | 2013 \$'000 |
|-------------------------------|----------------|----------------|
| Revenue | | |
| Bequests and donations | 43 | 361 |
| Government subsidies | 83,486 | 86,291 |
| Investment income | 942 | 843 |
| Residents' contributions | 35,465 | 35,905 |
| Sale of goods | 1,196 | 1,382 |
| Other revenue | 1,016 | 1,026 |
| | <u>122,148</u> | <u>125,808</u> |
| Other income | | |
| Net gain / (loss) on disposal | | |
| Other financial assets | 1,631 | 149 |
| Property, plant and equipment | 77,960 | (8) |
| | <u>79,591</u> | <u>141</u> |
| Total revenue | <u>201,739</u> | <u>125,949</u> |

4. PROFIT

Additional information on the nature of expenses

| | | |
|--|----------------|----------------|
| Employee benefits expense | 81,219 | 86,922 |
| Depreciation: | | |
| Buildings | 11,290 | 10,851 |
| Plant and equipment | 3,145 | 3,515 |
| Amortisation of Goodwill | 394 | 381 |
| | <u>14,829</u> | <u>14,747</u> |
| Dietary, medical and housekeeping supplies | 6,903 | 7,293 |
| Utilities | 5,448 | 5,451 |
| Repairs and maintenance | 4,139 | 4,052 |
| Other expenses | 8,189 | 10,947 |
| Total other expenses | <u>24,679</u> | <u>27,743</u> |
| Total expenditure | <u>120,727</u> | <u>129,412</u> |

5. CASH AND CASH EQUIVALENTS

| | 2014 \$'000 | 2013 \$'000 |
|--|----------------|----------------|
| Cash on hand | 229 | 226 |
| Cash at bank | 522 | 404 |
| Total cash and cash equivalents | 751 | 630 |

The cash and cash equivalents balance includes an allowance for unpresented cheques. Excess funds are transferred daily from the standard cheque account to a higher performing "at call investment account" which is included in the balance of term deposits below.

6. TRADE AND OTHER RECEIVABLES

| | | |
|--|---------------|---------------|
| Trade receivables | 3,410 | 8,581 |
| Sundry receivables | 6,367 | 1,814 |
| Prepayments | 112 | 6,390 |
| Accrued interest | 450 | 8 |
| Accrued dividends | 19 | 187 |
| Total trade and other receivables | 10,358 | 16,980 |

The majority of trade receivables are paid by direct debit. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. No impairment was required at 30 June 2014 (2013: Nil)

7. FINANCIAL ASSETS

Current financial assets

| | | |
|--|----------------|--------------|
| Interest bearing term deposits maturing within 12 months with an average interest rate of 3.60% (2013 : 3.20%) | 132,942 | 1,286 |
| Total current financial assets | 132,942 | 1,286 |

Non-current financial assets

| | | |
|---|----------------|---------------|
| Available for sale financial assets | | |
| Income securities and property trusts | - | 6,854 |
| Shares in listed companies | - | 5,845 |
| Total non-current financial assets | - | 12,699 |
| Total financial assets | 132,942 | 13,985 |

8. PROPERTY, PLANT AND EQUIPMENT

| | Gross carrying amount | | Accumulated depreciation and impairment losses | | Net carrying amount | |
|--|-----------------------|----------------|--|------------------|---------------------|----------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Consolidated | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Land and buildings | 267,816 | 339,101 | (106,104) | (77,932) | 161,712 | 261,169 |
| Motor vehicles, plant and equipment | 32,854 | 37,653 | (28,504) | (25,358) | 4,350 | 12,295 |
| Work in progress | 5,674 | 5,162 | - | - | 5,674 | 5,162 |
| Total property, plant and equipment | 306,344 | 381,916 | (134,608) | (103,290) | 171,736 | 278,626 |

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

| | Land & buildings | MV, plant & equipment | Work in progress | TOTAL |
|---------------------------------|------------------|-----------------------|------------------|-----------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Carrying amount at 1 July 2012 | 191,727 | 10,768 | 5,139 | 207,634 |
| Additions | 80,293 | 5,971 | 23 | 86,287 |
| Disposals / capitalisation | - | (929) | - | (929) |
| Depreciation expense | (10,851) | (3,515) | - | (14,366) |
| Carrying amount at 30 June 2013 | 261,169 | 12,295 | 5,162 | 278,626 |
| | | | | |
| | Land & buildings | MV, plant & equipment | Work in progress | TOTAL |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Carrying amount at 1 July 2013 | 261,169 | 12,295 | 5,162 | 278,626 |
| Additions | 10,748 | 2,138 | 512 | 13,398 |
| Disposals / capitalisation | (98,915) | (6,938) | - | (105,853) |
| Depreciation expense | (11,290) | (3,145) | - | (14,435) |
| Carrying amount at 30 June 2014 | 161,712 | 4,350 | 5,674 | 171,736 |

9. INTANGIBLE ASSETS

| | Gross carrying amount | | Accumulated impairment losses | | Net carrying amount | |
|--|-----------------------|---------------|-------------------------------|--------------|---------------------|---------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Goodwill on acquisition of the Masonic Homes Aged care operation | - | 7,614 | - | (381) | - | 7,233 |
| Purchased bed licences at cost | - | 3,640 | - | - | - | 3,640 |
| Total intangible assets | - | 11,254 | - | (381) | - | 10,873 |

The goodwill recognised on acquisition of the Masonic Homes aged care operation was tested for impairment as at 30 June 2014 and subsequently expensed to the Statement of Comprehensive Income.

The bed licences purchased from Masonic Homes Limited have subsequently been sold to Allity Pty Ltd on 30 May 2014.

10. TRADE AND OTHER PAYABLES

| | 2014 \$'000 | 2013 \$'000 |
|---------------------------------------|----------------|----------------|
| Trade payables | 85 | 480 |
| Other payables | 75 | 264 |
| Accrued expenses | 2,041 | 3,596 |
| Total trade and other payables | 2,201 | 4,340 |

11. AMOUNTS PAYABLE TO RESIDENTS

| Amounts payable to residents | Note | | |
|--|--------|---------------|----------------|
| Amounts payable to individual residents under the Retirement Villages Act 1987 | | | |
| - Expected to be paid within one year | 2(xii) | 3,952 | 4,167 |
| - Expected to be paid after one year | 2(xii) | 59,350 | 61,673 |
| Amounts payable to individual residents under the Aged Care Act 1997 | | | |
| - Expected to be paid within one year | 2(xii) | 2,047 | 13,517 |
| - Expected to be paid after one year | 2(xii) | 3,336 | 53,315 |
| Total amounts payable to residents | | 68,685 | 132,672 |

Resident loans are amounts payable to individual residents under the Retirement Villages Act 1987. The repayment of the loan balance is required within a short period of time of the resident leaving the retirement unit. To recognise this repayment requirement all resident loans are recorded as a current liability as per AASB101 *Presentation of Financial Statements*.

Accommodation bonds are amounts payable to individual residents under the Aged Care Act 1997. The repayment of the loan balance is required within a short period of time of the resident leaving the residential site. To recognise this repayment requirement all resident loans are recorded as a current liability as per AASB101 *Presentation of Financial Statements*.

The amounts expected to be paid within one year have been calculated using the average refund paid as a percentage of the total liability for the past two years.

12. PROVISIONS

| | | | |
|-------------------------------------|--|--------------|--------------|
| Current | | | |
| Provision for employee entitlements | | 3,030 | 8,277 |
| Total current provisions | | 3,030 | 8,277 |
| Non-current | | | |
| Provision for employee entitlements | | 576 | 828 |
| Total non-current provisions | | 576 | 828 |
| Total provisions | | 3,606 | 9,105 |

13. OTHER LIABILITIES

| | Note | 2014 \$'000 | 2013 \$'000 |
|--|-------|----------------|----------------|
| Funds held in trust | 2(xv) | - | 65 |
| Deferred revenue | | 715 | 320 |
| Grants received to be applied to capital expenditure | | 175 | 214 |
| Borrowings | | - | 14,046 |
| Total other liabilities | | 890 | 14,645 |

ECH held a Better Business Bill Facility with the Commonwealth Bank of Australia of \$15 Million which was closed on 29 August 2014.

14. CASH FLOW INFORMATION

Reconciliation of cash flow from operations with profit after tax

| | | |
|--|---------------|----------------|
| Profit / (Loss) after tax | 81,012 | (3,463) |
| Cash flows excluded from profit / (loss) attributable to operating activities | | |
| Non-cash flows in profit: | | |
| - net (gain) / loss on disposal of assets | (79,591) | (141) |
| - depreciation | 14,829 | 14,747 |
| Changes in assets and liabilities: | | |
| - (increase) / decrease in receivables and prepayments | (3,643) | 1,076 |
| - (increase) / decrease in inventories | 6 | (30) |
| - increase / (decrease) in payables, other liabilities and provisions | (2,959) | 1,524 |
| | 9,654 | 13,713 |

15. SUBSIDIARIES

ECH does not have any subsidiaries.

16. COMMITMENTS FOR EXPENDITURE

Capital expenditure commitments

Expected date of settlement

Within 12 months

| | | |
|--|------------|------------|
| Total commitments for expenditure | 576 | 325 |
|--|------------|------------|

17. CONTINGENT LIABILITIES

As required by the Workcover Corporation given ECH's self-insurance status, ECH has provided a security deposit guarantee to the Workcover Corporation in the amount of \$4,108,000 for 2013/14 (\$4,999,000 for 2012/13). Based upon the actuarial report for 30 June 2014 this guarantee will be decreased to \$2,173,000.

| | | 2014 \$'000 | 2013 \$'000 |
|--|-----|----------------|----------------|
| Commonwealth Grants | | | |
| Tiwi Residential Care Centre - extension | (a) | 3,142 | 3,300 |
| | | <u>3,142</u> | <u>3,300</u> |

- (a) The Commonwealth provided grants of \$3,375,000 to MHL to contribute to the extension of the Tiwi Residential Care Centre. This grant and all associated contingent liabilities were transferred to ECH on 1 July 2012 as part of the sale of Care Operations from MHL. This grant was allocated for three separate agreements, with repayment required whole or part over the next 8 to 20 years should ECH breach the conditions of the terms of the agreement.

18. EVENTS AFTER THE REPORTING DATE

ECH has signed an agreement with Regis Aged Care Pty Ltd to sell the Tiwi Residential Care Centre which will settle on 1 November 2014, pending approval by the Department of Social Services.

19. RELATED PARTY DISCLOSURES

Key management personnel compensation

Key management personnel comprise directors and other persons having authority and responsibility for planning, directing and controlling the activities of ECH.

The totals of remuneration paid to key management personnel of ECH during the year are as follows:

| | | |
|--|--------------|--------------|
| Short-term employee benefits | 1,426 | 1,765 |
| Post employment benefits | 182 | 126 |
| Total key management personnel compensation | <u>1,608</u> | <u>1,891</u> |

Directors of ECH

The following individuals held office as Directors of ECH during the year:

| | |
|-----------------|--------------|
| R G Hankins | M J Jeffreys |
| A J Heard | T J Stubbs |
| I R H McLachlan | S Laidlaw |
| C F Gaston | S Daw |

20. AUDITORS REMUNERATION

| | | |
|------------------------------------|-----------|-----------|
| Audit of financial reports | 53 | 40 |
| Total auditors remuneration | <u>53</u> | <u>40</u> |

ECH INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

21. Information about business segments

| Industry segments | Residential Care | | Community Services | | Independent Living | | Other Operations | | Consolidated | |
|---|------------------|----------------|--------------------|----------------|--------------------|----------------|------------------|----------------|----------------|----------------|
| | 2014 \$'000 | 2013 \$'000 | 2014 \$'000 | 2013 \$'000 | 2014 \$'000 | 2013 \$'000 | 2014 \$'000 | 2013 \$'000 | 2014 \$'000 | 2013 \$'000 |
| Operating revenue | | | | | | | | | | |
| Government subsidies | 60,991 | 64,763 | 21,253 | 20,242 | 1,242 | 1,216 | - | 70 | 83,486 | 86,291 |
| Resident / Client contributions | 20,260 | 21,163 | 2,689 | 2,474 | 12,516 | 12,268 | - | - | 35,465 | 35,905 |
| Other income | 1,688 | 1,963 | 2 | 26 | 109 | 91 | 80,989 | 1,673 | 82,788 | 3,753 |
| Total revenue | 82,939 | 87,889 | 23,944 | 22,742 | 13,867 | 13,575 | 80,989 | 1,743 | 201,739 | 125,949 |
| Employee benefits expense | 53,273 | 59,297 | 17,112 | 16,340 | 3,383 | 3,622 | 7,451 | 7,663 | 81,219 | 86,922 |
| Dietary, medical and housekeeping supplies | 6,432 | 6,831 | 425 | 424 | 41 | 37 | 5 | 1 | 6,903 | 7,293 |
| Other expenses | 11,765 | 14,744 | 4,570 | 4,279 | 3,223 | 3,105 | (1,782) | (1,678) | 17,776 | 20,450 |
| Depreciation | 6,646 | 7,061 | 258 | 309 | 6,286 | 5,712 | 1,639 | 1,665 | 14,829 | 14,747 |
| Net profit / (loss) from ordinary activities | 4,823 | (44) | 1,579 | 1,390 | 934 | 1,099 | 73,676 | (5,908) | 81,012 | (3,463) |
| Segment current assets | 2,396 | 10,015 | 1,807 | 1,165 | 1,921 | 5,857 | 138,029 | 2,178 | 144,153 | 19,215 |
| Segment non-current assets | 19,273 | 122,534 | 1,029 | 2,911 | 130,278 | 136,444 | 21,156 | 40,309 | 171,736 | 302,198 |
| Segment assets | 21,669 | 132,549 | 2,836 | 4,076 | 132,199 | 142,301 | 159,185 | 42,487 | 315,889 | 321,413 |
| Segment current liabilities | 5,847 | 72,830 | 1,788 | 724 | 64,024 | 66,833 | 3,384 | 19,912 | 75,043 | 160,299 |
| Segment non-current liabilities | 67 | 469 | 331 | 213 | 75 | 45 | 1,430 | 1,326 | 1,903 | 2,053 |
| Segment liabilities | 5,914 | 73,299 | 2,119 | 937 | 64,099 | 66,878 | 4,814 | 21,238 | 76,946 | 162,352 |
| Segment net assets | 15,755 | 59,250 | 717 | 3,139 | 68,100 | 75,423 | 154,371 | 21,249 | 238,943 | 159,061 |

ECH operates in the aged care industry within South Australia and Northern Territory. Reportable segments are based on the operational divisions within ECH as follows:

- (i) Provision and management of residential aged care accommodation and services;
- (ii) Aged care services to the community; and
- (iii) Provision and management of independent living accommodation and services.

22. FINANCIAL RISK MANAGEMENT

ECH's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable and leases.

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

| | Nota | 2014 \$'000 | 2013 \$'000 |
|------------------------------------|------|----------------|----------------|
| Financial assets | | | |
| Cash and cash equivalents | 5 | 751 | 630 |
| Trade and other receivables | 6 | 10,358 | 16,980 |
| Other financial assets | 7 | 132,942 | 13,985 |
| Total financial assets | | 144,051 | 31,595 |
| Financial liabilities | | | |
| Trade and other payables | 10 | 2,201 | 4,340 |
| Amounts payable to residents | 11 | 68,685 | 132,672 |
| Total financial liabilities | | 70,886 | 137,012 |

Financial risk management policies

An Investment Committee consisting of members of the Board of Directors attended by the Chief Executive and General Manager Corporate Services is responsible for, among other issues, monitoring and managing the financial risk exposures of the entity. The Committee monitors the entity's transactions and reviews the effectiveness of controls relating to credit risk, financial risk and interest rate risk. Discussions on monitoring and managing the financial risk exposures are held quarterly and minuted at the Investment Committee.

The Investment Committee's overall risk management strategy seeks to ensure that ECH meets its financial targets whilst minimising the potential adverse effects of cash flow shortfalls.

The Investment Committee operates under policies approved by the Board. Risk management policies are approved and reviewed by the Committee on a regular basis. These include the use of credit risk policies and future cash flow requirements.

Specific financial risk exposures and management

The main risks that ECH is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and equity price risk.

(a) Credit risk

Exposure to credit risk relating to the financial assets arises from the potential of non-performance by counterparties of their contractual obligations that could lead to a financial loss to ECH.

Credit risk is managed through maintaining procedures (such as utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to the transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Investment Committee has otherwise cleared as being financially sound.

Credit risk exposures

The maximum exposure to credit risk by each class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the Statement of Financial Position.

There is no collateral held by ECH securing trade and other receivables.

Trade and other receivables that are neither past due nor impaired are considered to be of a high credit quality.

ECH has no significant concentration of credit risk with any single counterparty or group of counterparties.

(b) Liquidity risk

Liquidity risk arises from the possibility that the entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to its financial liabilities. The entity manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- only investing surplus cash with major financial institutions;
- proactively monitoring the recovery of unpaid accounts; and
- provision of a \$15 Million Better Business Bill facility with the Commonwealth Bank of Australia (closed 29 August 2014).

The tables below reflect an undiscounted contractual maturity analysis of its financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

22. FINANCIAL RISK MANAGEMENT (Continued)

Financial instrument composition and maturity analysis

| | Within 1 Year | | 1 to 5 Years | | Over 5 Years | | Total | |
|---|----------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial liabilities due for payment | | | | | | | | |
| Trade and other payables | 2,201 | 4,340 | - | - | - | - | 2,201 | 4,340 |
| Amounts payable to residents | 5,999 | 17,684 | 29,212 | 52,164 | 33,474 | 62,824 | 68,685 | 132,672 |
| Total financial liabilities | 8,200 | 22,024 | 29,212 | 52,164 | 33,474 | 62,824 | 70,886 | 137,012 |
| Financial assets - cash flows realisable | | | | | | | | |
| Cash and cash equivalents | 751 | 630 | - | - | - | - | 751 | 630 |
| Term deposits | 132,942 | 1,286 | - | - | - | - | 132,942 | 1,286 |
| Trade and other receivables | 10,358 | 16,980 | - | - | - | - | 10,358 | 16,980 |
| Investments | - | - | - | 12,699 | - | - | - | 12,699 |
| Total financial assets | 144,051 | 18,896 | - | 12,699 | - | - | 144,051 | 31,595 |

(c) Market risk

i. Interest rate risk

Exposure to interest rate risk arises on the financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows.

ECH holds a Better Business Bill Facility with the Commonwealth Bank of Australia of \$15 Million which is exposed to interest rate risk (closed 29 August 2014).

ii. Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices of the securities held.

(d) Foreign exchange risk

ECH is not directly exposed to fluctuations in foreign currencies.

Sensitivity analysis

The following table illustrates sensitivities in ECH's exposures to changes in interest rates and equity prices. The table indicates the effect on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

| | Profit \$'000 | Equity \$'000 |
|--------------------------------|------------------|------------------|
| Year ended 30 June 2014 | | |
| +/- 2% In interest rates | +/- 2,659 | +/- 2,659 |
| +/- 10% In listed investments | +/- 0 | +/- 0 |
| Year ended 30 June 2013 | | |
| +/- 2% in interest rates | +/- 26 | +/- 26 |
| +/- 10% in listed investments | +/- 508 | +/- 1,270 |

No sensitivity analysis has been performed on foreign exchange risk as the entity is not directly exposed to foreign currency fluctuations.

22. FINANCIAL RISK MANAGEMENT (Continued)

Net fair values

Fair value estimation

The fair values of the financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the Statement of Financial Position. Fair values are those amounts at which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in the assumptions may have a material effect on the amounts estimated. Areas of judgment and the assumptions used have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded.

| | | Net Carrying Value 2014 \$'000 | Net Fair Value 2014 \$'000 | Net Carrying Value 2013 \$'000 | Net Fair Value 2013 \$'000 |
|--|------|---|-------------------------------------|---|-------------------------------------|
| | Note | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents ⁽ⁱ⁾ | | 751 | 751 | 630 | 630 |
| Term deposits ⁽ⁱ⁾ | | 132,942 | 132,942 | 1,286 | 1,286 |
| Trade and other receivables ⁽ⁱ⁾ | | 10,358 | 10,358 | 16,980 | 16,980 |
| Available-for-sale financial assets | 23 | - | - | 12,699 | 12,699 |
| Total financial assets | | 144,051 | 144,051 | 31,595 | 31,595 |
| Financial liabilities | | | | | |
| Trade and other payables ⁽ⁱ⁾ | | 2,201 | 2,201 | 4,340 | 4,340 |
| Amounts payable to residents ⁽ⁱⁱ⁾ | | 68,685 | 68,685 | 132,672 | 132,672 |
| Total financial liabilities | | 70,886 | 70,886 | 137,012 | 137,012 |

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, term deposits, trade and other receivables and trade and other payables are short term instruments in nature whose carrying value is equivalent to their fair value. Trade and other payables exclude amounts provided for relating to annual leave, which is not considered a financial instrument.
- (ii) Amounts payable to residents include resident loans and accommodation bonds. Their value is determined by individual contracts under the Retirement Villages Act 1987 or the Aged Care Act 1997.

23. FAIR VALUE MEASUREMENTS

The entity measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- Available-for-sale financial assets.

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The fair value hierarchy consists of the following levels:

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

| | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
|--|-------------------|-------------------|-------------------|-----------------|
| 2014 | | | | |
| Recurring fair value measurements | | | | |
| Financial assets | | | | |
| Available-for-sale financial assets | - | - | - | - |
| Total financial assets recognised at fair value | - | - | - | - |
| 2013 | | | | |
| Recurring fair value measurements | | | | |
| Financial assets | | | | |
| Available-for-sale financial assets | 12,699 | - | - | 12,699 |
| Total financial assets recognised at fair value | 12,699 | - | - | 12,699 |

Included within Level 1 of the hierarchy are listed investments. The fair value of these financial assets has been based on the closing quoted sale prices at the end of the reporting period, excluding transaction costs.

In accordance with a resolution of the Board of Directors of ECH, in the opinion of the Board of Directors:

- (a) the accompanying financial statements of ECH are drawn up so as to give a true and fair view of the profit (loss) of ECH for the year ended 30 June 2014 and the state of affairs of ECH as at 30 June 2014, and have been prepared in accordance with Australian Accounting Standards.
- (b) at the date of this statement there are reasonable grounds to believe that ECH will be able to pay its debts as and when they fall due.

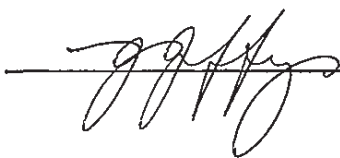
In accordance with a resolution of the Board of Directors of ECH, the Board of Directors submit the following report for the financial year ended 30 June 2014 under subsection 35(5) of the Associations Incorporation Act 1985 as follows:

- (a) (i) no member of the Board of Directors of ECH,
- (ii) no firm in which a member of the Board of Directors is a member, and
- (iii) no body corporate in which a member of the Board of Directors has a substantial financial interest

has during the financial year received or become entitled to receive a benefit as a result of a contract between the member of the Board of Directors, firm or body corporate and ECH outside of normal contractual arrangements.

- (b) no member of the Board of Directors of ECH has during the financial year ended 30 June 2014 received directly or indirectly from ECH any payment or other benefit of a pecuniary value outside of normal contractual arrangements.

For and on behalf of the Board of Directors


_____

30 September 2014

Date

ECH INC.**INDEPENDENT AUDITOR'S REPORT**

To the members of ECH Inc:

We have audited the accompanying financial report of ECH Inc. ("the entity") which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the Board of Directors for the entity.

Directors' Responsibility for the Financial Report

The Board of Directors is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), the Associations Incorporation Act (SA) 1985 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 judgment, 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.

Our audit did not involve an analysis of the prudence of business decisions made by directors.

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 have complied with the independence requirements of the Australian professional accounting bodies.

ECH INC.**INDEPENDENT AUDITOR'S REPORT (CONT.)*****Auditor's Opinion***

In our opinion the financial report presents fairly, in all material respects the financial position of the entity as at 30 June 2014, and of its performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.


HLB Mann Judd
Chartered Accountants
Corey McGowan
Partner

Adelaide, South Australia
30 September 2014