THE WESTHAVEN ASSOCIATION
(a company limited by guarantee)
ABN 56 000 543 046

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2013

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THE WESTHAVEN ASSOCIATION
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DIRECTORS' REPORT

Your directors present their report on the Association for the financial year ended 30 June 2013.

DIRECTORS

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

N Carroll	L Griffiths
J Cowley	A Jones
J Devine	P Lewsam
J Dixon	R Tootell

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

PRINCIPAL ACTIVITIES

The principal activities of the Westhaven Association during the year were the provision of supported accommodation to its residents and vocational support to its supported employees, the administration of the various accommodation facilities, the manufacture of sheepskin products, wood products, land care services and the supervision of supported employment enclaves.

There were no significant changes in the nature of the principal activities of the Association during the financial year.

INFORMATION ON DIRECTORS

Name	Special Responsibilities	Qualifications and Experience
P Lewsam	President	Businessman
N Carroll	Vice President	Retired Business Manager
J Devine	Vice President	Businessman
R Tootell	Treasurer	Businessman
A Jones	Company Secretary	Accountant / Local Govt Councillor
J Cowley		Business woman
J Dixon		Businessman
L Griffiths		Business woman / Local Govt Councillor

MEETINGS OF DIRECTORS

During the financial year the following meetings of directors were held with the recorded attendances being:-

Name	No. of meetings eligible to attend	No. of meetings attended
N Carroll	6	6
J Cowley	6	3
J Devine	6	2
J Dixon	6	5
L Griffiths	6	3
A Jones	6	6
P Lewsam	6	6
R Tootell	6	5

DIRECTORS' REPORT
(Continued)

MEMBERS' GUARANTEE

The Association is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Association is wound up, the constitution states that each member is required to contribute a maximum of $5 towards meeting any outstanding obligations of the Association. At 30 June 2013, the total amount that members are liable to contribute if the Association is wound up is $455 (2012 - $495).

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 3 of the financial statements.

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

Director

Director

Dated at Dubbo this 27th day of August 2013.

MORSE | GROUP
ACCOUNTANTS & ADVISORS

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF THE WESTHAVEN ASSOCIATION

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013 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.

Morse Group

MORSE GROUP

JM Shanks

JM SHANKS
PARTNER

2 River Street
Dubbo
Dated: 27 August 2013

Chartered Accountants

COVER OF EXCELLENCE

THE WESTHAVEN ASSOCIATION
(a company limited by guarantee)
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DIRECTORS' DECLARATION

The directors of the Association declare that:

1) the financial statements and notes as set out on pages 5 to 27 are in accordance with the *Corporations Act 2001*;

   a) comply with Accounting Standards; and

   b) give a true and fair view of the financial position as at 30 June 2013 and the performance for the year ended on that date of the Association.

2) in the directors' opinion, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

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

Director

Director

Dated at Dubbo this 27th day of August 2013.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 $	2012 $
Revenue	2	9,640,955	9,595,379
Changes in inventories of finished goods and work in progress		17,511	12,568
Raw materials and consumables used		(188,260)	(209,438)
Employee benefits expense	3	(7,064,072)	(6,366,820)
Depreciation expense	3	(248,989)	(224,828)
Other expenses	3	(1,403,071)	(2,127,474)
Profit for the year		754,074	679,387
Other comprehensive income for the year		-	-
Total comprehensive income for the year		$754,074	$679,387

The accompanying notes form part of these financial statements.

THE WESTHAVEN ASSOCIATION
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Notes	2013 $	2012 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	4,623,674	2,779,370
Trade and other receivables	5	82,624	102,463
Inventories	6	209,311	191,800
Other assets	7	18,045	-
TOTAL CURRENT ASSETS		4,933,654	3,073,633
NON-CURRENT ASSETS			
Property, plant and equipment	8	4,397,073	4,669,983
TOTAL NON-CURRENT ASSETS		4,397,073	4,669,983
TOTAL ASSETS		9,330,727	7,743,616
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	776,315	592,670
Provisions	10	256,308	260,934
Other liabilities	11	1,693,485	1,096,686
TOTAL CURRENT LIABILITIES		2,726,108	1,950,290
NON-CURRENT LIABILITIES			
Provisions	10	412,636	355,417
TOTAL NON-CURRENT LIABILITIES		412,636	355,417
TOTAL LIABILITIES		3,138,744	2,305,707
NET ASSETS		$6,191,983	$5,437,909
EQUITY			
Retained earnings		6,191,983	5,437,909
TOTAL EQUITY		$6,191,983	$5,437,909

The accompanying notes form part of these financial statements.

THE WESTHAVEN ASSOCIATION
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	2013 $	2012 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	858,264	963,398
Receipts from consumers	1,576,639	1,898,805
Grant moneys received - Commonwealth	961,195	952,691
Grant moneys received - State	7,295,394	6,616,305
Grant moneys received - Department of Employment, Education and Training	7,500	17,650
Interest received	138,029	107,669
Payments to suppliers and employees	(9,213,784)	(9,165,704)
Net cash flows provided by/(used in) operating activities (Note 13.3)	1,623,237	1,390,814
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	300,727	75,822
Purchase of property, plant and equipment	(79,660)	(1,346,089)
Net cash flows provided by/(used in) investing activities	221,067	(1,270,267)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Net cash flows provided by /(used in) financing activities	-	-
Net increase in cash and cash equivalents	1,844,304	120,547
Cash and cash equivalents at the beginning of the year	2,779,370	2,658,823
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Note 13.1)	$4,623,674	$2,779,370

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Retained Earnings $
Balance at 1 July 2011	4,758,522
Profit for the year	679,387
Total other comprehensive income for the year	-
Balance at 30 June 2012	5,437,909
Profit for the year	754,074
Total other comprehensive income for the year	-
Balance at 30 June 2013	$6,191,983

The accompanying notes form part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements cover The Westhaven Association as an individual entity, incorporated and domiciled in Australia. The Westhaven Association is a company limited by guarantee.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the 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.

The financial statements were authorised for issue on 27 August 2013 by the directors of the Association.

Accounting Policies

1.1. Revenue

Grant revenue is recognised in the statement of comprehensive income when the Association obtains control over the grant and it is probable that the economic benefits gained from the grant will flow to the Association and the amount of the grant can be reliably measured.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the Association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The Association may receive non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

Donations are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive the dividend has been established.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.1. Revenue (Continued)

Sales revenue represents revenue earned from the sale of the Association's products and services net of returns, trade allowances and duties.

Consumer service fees revenue represents charges for accommodation and provision of support staff for persons with intellectual disabilities.

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

1.2. Income Tax

The Association is exempt from income tax under section 50-5 of the Income Tax Assessment Act 1997.

1.3. Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis. Net realisable value is the estimated selling price in the ordinary course of business and the estimated costs necessary to make the sale.

1.4. Trade and Other Receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at the original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

1.5. Property, Plant and Equipment

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

Property
Freehold land and buildings are shown at cost, less subsequent depreciation for buildings.

Freehold land and buildings that have been contributed at no cost or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Plant and Equipment
Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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

Plant and equipment that have been acquired at no cost or nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.5. Property, Plant and Equipment (Continued)

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets are depreciated over their useful lives commencing from the time the assets are held ready for use.

Class of Property, Plant and Equipment	Depreciation Rate
Buildings	2.5%-20%
Plant and equipment	9%-40%
Furniture and office machines	20%
Motor vehicles	20%

Building assets acquired for less than $10,000 and all other assets acquired for less than $5,000 are not capitalised but expensed in the year of acquisition.

The assets' residual value and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

1.6. Leases

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset but not the legal ownership are transferred to the Association, 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 the Association will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight line basis over the lease term.

1.7. Employee Benefits

Provision is made from the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. 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. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.7. Employee Benefits (Continued)

The provision for annual leave was reviewed with entitlements expected to be used within twelve months classified as current, and entitlements expected to be used longer than twelve months classified as non-current and discounted accordingly.

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

1.8. Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash includes cash on hand, at call deposits and term deposits with banks or financial institutions, net of bank overdrafts and investments in money market instruments with less than three months to maturity.

1.9. Financial Instruments

Initial recognition and measurement
Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Association becomes party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Association commits itself to either purchase or sell the asset (that is, 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 recognised in profit or loss immediately.

Classification and subsequent measurement
Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate 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 the amount for which a financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between the initial amount and the maturity amount calculated using the effective interest method.

(i) Financial assets at fair value through profit or loss
Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking. Realised and unrealised gains and losses arising from changes in fair value are included in the statement of comprehensive income in the period in which they arise.

(ii) 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.9. Financial Instruments (Continued)

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

(iv) 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.

They are subsequently measured at fair value with changes in such fair value (that is, gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial instrument is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

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

Impairment
At the end of each reporting period, the Association 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 profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

Derecognition
Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the Association 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 amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including non-cash assets or liabilities assumed is recognised in profit or loss.

1.10. Impairment of Assets

At each reporting date, the Association 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 cost 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 recognised in profit or loss.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.10. Impairment of Assets (Continued)

Where the future economic benefits of the asset are not primarily dependent upon the assets ability to generate net cash inflows and when the Association would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the Association estimates the recoverable amount of the cash generating unit to which the class of assets belong.

1.11. Trade and other payables

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

1.12. Head Office Costs

Head Office costs have been allocated to the trading segments in the following proportions.

Westhaven Accommodation Support Service (WASS)	65% (2012 - 65%)
Westhaven Industries	30% (2012 - 30%)
Westhaven Property	5% (2012 - 5%)

1.13. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except where the GST incurred on a purchase of goods and services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO are classified as operating cash flows.

1.14. Comparative Amounts

When the presentation or classification of items in the financial statements are amended, comparative amounts shall be reclassified unless the reclassification is impractical.

1.15. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

2. REVENUE

	2013 $	2012 $
Revenue from government grants		
Government grants – Commonwealth	873,814	866,083
Government grants - State	6,089,632	5,800,027
Government grants - Department of Employment, Education and Training	6,818	16,045
	6,970,264	6,682,155
Other revenue		
Interest received	151,953	127,559
Sales – Westhaven industries	637,725	744,773
Consumer fees and rents – WASS	1,551,449	1,849,085
Donations and legacies	22,728	79,390
Gain on sale of property, plant and equipment	197,147	30,915
Insurance claim settlements	90,649	22,239
Fundraising	1,368	12,245
Other revenue	17,672	47,018
Total other income	2,670,691	2,913,224
Total Revenue	$9,640,955	$9,595,379

3. RESULT FROM OPERATIONS

3.1. Result from operations has been determined after:

	2013 $	2012 $
Expenses:		
Employee benefits expense		
- Salaries and wages	5,520,441	5,168,035
- Superannuation	513,982	470,065
- Workers compensation	432,614	201,521
- Annual leave	422,547	388,591
- Long service leave	50,673	48,484
- Staff training	88,552	50,390
- Staff amenities	22,540	21,957
- Staff uniforms	12,723	17,777
	$7,064,072	$6,366,820
Depreciation		
- Buildings	112,526	98,126
- Plant and equipment	12,762	10,233
- Furniture and office machines	3,733	4,021
- Motor vehicles	119,968	112,448
	$248,989	$224,828

	2013 $	2012 $

3. RESULT FROM OPERATIONS (Continued)

	2013 $	2012 $
Cost of goods sold	$170,749	$196,870
Other expenses		
- Computer costs	59,904	106,593
- Electricity and gas	111,278	108,781
- Groceries and household assistance	306,147	463,141
- Insurance	46,446	46,673
- Motor vehicle expenses	96,583	77,116
- Rates	70,330	58,093
- Rent	39,144	301,544
- Repairs and maintenance	152,135	269,309
- Respite costs	131,645	216,534
- Telephone and internet	60,565	72,337
- All other expenses	328,894	407,353
	$1,403,071	$2,127,474
Proceeds on sale of property, plant and equipment	300,727	75,822
Disposals at carrying value	(103,581)	(44,907)
	$197,146	$30,915

3.2. Auditor's remuneration

Amounts received or due and receivable, by the auditors for:

	2013 $	2012 $
Auditing the accounts	22,850	19,950
Other services	-	9,315
	$22,850	$29,265

4. CASH AND CASH EQUIVALENTS

	2013 $	2012 $
Cash at bank	2,524,659	777,870
Cash on hand	1,500	1,500
Short term deposit	2,097,515	2,000,000
	$4,623,674	$2,779,370

5. TRADE AND OTHER RECEIVABLES

Trade receivables	68,700	82,573
Less: provision for impairment	-	-
	68,700	82,573
Other receivables	13,924	19,890
	$82,624	$102,463

5.1 Provision for impairment of receivables

Current trade receivables are generally on 30 day terms. 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. At reporting date, there was no impairment of receivables (2012 - $Nil).

5.2 Credit risk – trade and other receivables

The Association does not have any material credit risk exposure to any single receivable or group of receivables.

The following table details the Association's trade and other receivables exposed to credit risk with ageing analysis and impairment provided thereon. Amounts are considered as "past due" when the debt has not settled within the terms and conditions agreed between the Association and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Association.

The balances of receivables that remain within initial trade terms (as detailed in the following table) are considered to be of high credit quality.

	Gross amount	Past due and Impaired	Past due but not impaired (days overdue)			Within initial trade terms
			31-60	61-90	>90	
	$	$	$	$	$	$
2013						
Trade receivables	68,700	-	13,866	1,800	44	52,990
Other receivables	13,924	-	-	-	-	13,924
Total	82,624	-	13,866	1,800	44	66,914
2012						
Trade receivables	82,573	-	19,257	4,071	7,116	52,129
Other receivables	19,890	-	-	-	-	19,890
Total	102,463	-	19,257	4,071	7,116	72,019

The Association does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

	2013 $	2012 $
6. INVENTORIES		
Raw materials	113,425	128,446
Work in progress	8,899	9,607
Finished goods	86,987	53,747
	$209,311	$191,800
7. OTHER ASSETS		
Prepayments	$18,045	$-
8. PROPERTY, PLANT AND EQUIPMENT		
Land- at cost	1,208,944	1,248,744
Buildings		
- at cost	4,249,085	4,350,176
Less: accumulated depreciation	(1,422,036)	(1,346,820)
	2,827,049	3,003,356
Plant and equipment		
- at cost	343,150	343,150
Less: accumulated depreciation	(321,520)	(308,758)
	21,630	34,392
Furniture and office machines		
- at cost	306,502	284,020
Less: accumulated depreciation	(280,865)	(277,133)
	25,637	6,887
Motor vehicles		
- at cost	744,366	743,017
Less: accumulated depreciation	(430,553)	(366,413)
	313,813	376,604
	$4,397,073	$4,669,983

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movement 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.

2013	Land $	Buildings $	Plant and equipment $	Furniture and office machines $	Motor vehicles $	Total $
Opening balance at 1 July 2012	1,248,744	3,003,356	34,392	6,887	376,604	4,669,983
Additions	-	-	-	22,483	57,177	79,660
Disposals	(39,800)	(63,781)	-	-	-	(103,581)
Depreciation	-	(112,526)	(12,762)	(3,733)	(119,968)	(248,989)
Closing balance at 30 June 2013	1,208,944	2,827,049	21,630	25,637	313,813	4,397,073

2012	Land $	Buildings $	Plant and equipment $	Furniture and office machines $	Motor vehicles $	Total $
Opening balance at 1 July 2011	894,644	2,320,082	21,181	55,815	301,907	3,593,629
Additions	354,100	781,400	23,444	-	187,145	1,346,089
Disposals	-	-	-	(44,907)	-	(44,907)
Depreciation	-	(98,126)	(10,233)	(4,021)	(112,448)	(224,828)
Closing balance at 30 June 2012	1,248,744	3,003,356	34,392	6,887	376,604	4,669,983

Hausfeld & Associates undertook an independent valuation of land and buildings on 30 June 2008. The valuation for land of $2,425,000 and buildings of $5,580,000 were based on an assessment of the properties' current market value. The new valuations have not been brought to account as the Association has continued to adopt the cost basis for recording these asset classes.

	2013 $	2012 $
9. TRADE AND OTHER PAYABLES		
Trade and other payables	157,184	187,271
Other creditors and accruals	619,131	405,399
	$776,315	$592,670

	2013 $	2012 $
10. PROVISIONS		
Current		
Annual leave	$256,308	$260,934
Non-current		
Annual leave	167,843	148,991
Long service leave	244,793	206,426
	$412,636	$355,417
Total Provisions	$668,944	$616,351
Opening balance at beginning of the year	616,351	486,094
Additional provisions raised during the year	52,593	130,257
Closing balance at the end of the year	$668,944	$616,351
11. OTHER LIABILITIES		
Unexpended grants	1,684,684	1,084,629
Consumers service fees in advance	8,801	12,057
	$1,693,485	$1,096,686
12. SEGMENT INFORMATION		
Westhaven Accommodation Support Service (WASS)		
Income		
Consumer fees	1,355,640	1,462,761
Government grants		
- State	6,089,632	5,740,025
- Dept of Employment, Education and Training	6,818	16,045
Donations	-	1,408
Insurance claim settlement	76,080	9,258
Other income	72,554	11,298
	7,600,724	7,240,795
Expenses		
Operating expenses	(7,389,921)	(7,112,255)
Total WASS	210,803	128,540

12. SEGMENT INFORMATION (Continued)

	2013 $	2012 $
Business Services		
Income		
Government grant		
- Commonwealth	873,814	846,083
- Other	2,000	-
Sales - Industries	640,010	744,773
Insurance claim settlement	14,569	12,981
Other income	2,426	3,209
	1,532,819	1,607,046
Expenses		
Cost of goods sold	(685,013)	(825,655)
Operating expenses	(839,392)	(684,057)
	(1,524,405)	(1,509,712)
Total Business Services	8,414	97,334
Corporate		
Income		
Donations	22,728	77,983
Interest received	151,953	127,559
Government grants		
- State	-	60,000
- Commonwealth	-	20,000
Profit on sale of assets	20,727	30,915
Fundraising	1,367	12,245
Other income	30,778	16,924
	227,553	345,626
Expenses		
Operating expenses	(1,551)	(17,489)
Total Corporate	226,002	328,137
Property		
Income		
Consumer fees	131,050	386,214
Other income	2,571	16,015
Profit on disposal of assets	176,419	-
Rental income	437,360	74,800
	747,400	477,029
Expenses		
Operating expenses	(438,544)	(351,653)
Total Property	308,856	125,376
Profit for the year	$754,075	$679,387

	2013 $	2012 $

13. CASH FLOW INFORMATION

13.1. Reconciliation of cash

For the purpose of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2013 $	2012 $
Cash assets	$4,623,674	$2,779,370

13.2. Credit facility arrangements

	2013 $	2012 $
Offset loan facility	500,000	500,000
Loan owing	-	-
Available	$500,000	$500,000
Credit card facilities	100,000	70,000
Balance owing	(67,190)	(23,236)
Available	$32,810	$46,764

13.3. Reconciliation of profit to net cash provided by operating activities

	2013 $	2012 $
Profit for year	754,074	679,387
Non cash flows		
Depreciation	248,989	224,828
Profit on disposal of property, plant and equipment	(197,146)	(30,915)
Changes in assets and liabilities		
Decrease/(increase) in receivables	19,839	(44,784)
(Increase)/decrease in inventories	(17,511)	(12,568)
(Increase)/decrease in other assets	(18,045)	-
Increase/(decrease) in payables	183,645	217,949
Increase/(decrease) in provisions	52,593	130,257
Increase/(decrease) in other liabilities	596,799	226,660
Net cash provided by operating activities	$1,623,237	$1,390,814

	2013 $	2012 $

14. KEY MANAGEMENT PERSONNEL REMUNERATION

	2013 $	2012 $
Short-term benefits	169,302	180,486
Post employment benefits	1,875	731
	$171,177	$181,217

15. EVENTS AFTER THE REPORTING PERIOD

Since the end of the financial year and to the date of this report, in the opinion of the directors, no item, transaction or event of a material or unusual nature, which would affect substantially the result of the Association's operation for the next succeeding year, has occurred.

16. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

17. CONTINGENT LIABILITIES AND ASSETS

The Association has no contingent liabilities and contingent assets at 30 June 2013 (2012 - $Nil).

18. MEMBERS' GUARANTEE

The Association has no authorised capital as it is a company limited by guarantee of its members. On winding up, each member is required to contribute an amount not exceeding $5.00. At 30 June 2013, such guarantees aggregate to $455 (2012 -$495).

19. CAPITAL AND EXPENDITURE COMMITMENTS

There are no capital and expenditure commitments at 30 June 2013 (2012 - $Nil).

20. FINANCIAL RISK MANAGEMENT

20.1. Financial Risk Management Policies

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

The Association does not have any derivative instruments at 30 June 2013.

(i) Treasury risk management

The Board meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

(ii) Financial risk exposures and management

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

20. FINANCIAL RISK MANAGEMENT

20.1. Financial Risk Management Policies (Continued)

Interest rate risk
Interest rate risk is managed with a mixture of fixed and floating rate debt. At 30 June 2013, the Association had no debt.

Foreign currency risk
The Association is not exposed to fluctuations in foreign currencies.

Liquidity risk
The Association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowings are maintained.

Credit Risk
The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Association does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Association.

Credit risk is managed by the Association and reviewed regularly by the Directors. It arises from exposures to customers as well as through deposits with financial institutions.

The trade receivables balances for 2013 and 2012 do not include any counterparties with external credit ratings. Customers are assessed by management for credit worthiness.

Price Risk
The Association is not exposed to any commodity price risk.

20.2. Net Fair Values

For assets and liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are traded on organised markets in standardised form other than listed investments.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

20.3 Sensitivity Analysis

Interest rate risk
The Association has performed a sensitivity analysis relating to its exposure to interest rate risk at reporting date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

At 30 June 2013, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

20. FINANCIAL RISK MANAGEMENT (Continued)

20.3 Sensitivity Analysis (Continued)

	2013 $	2012 $
Change in profit		
Increase in interest rate by 1%	37,015	27,176
Decrease in interest rate by 1%	(37,015)	(27,176)
Change in equity		
Increase in interest rate by 1%	37,015	27,176
Decrease in interest rate by 1%	(37,015)	(27,176)

No sensitivity analysis has been performed on foreign exchange risk, as the Association is not exposed to fluctuations in foreign exchange.

20.4. Financial Instrument Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments for a fixed period of maturity, as well as managements' expectations of the settlement period for all other financial instruments.

	Floating Interest Rate	Fixed Interest Maturing in <1 year	Fixed Interest Maturing in >1 year <5 years	Fixed Interest Maturing in >5 years	Non-Interest Bearing	Total	Weighted Average Effective Interest Rate
2013							
Financial assets							
Cash assets	2,524,659	2,097,515	-	-	1,500	4,623,674	4.3%
Receivables	-	-	-	-	82,624	82,624	-
Total	2,524,659	2,097,515	-	-	84,124	4,706,298	
Financial liabilities							
Payables	-	-	-	-	776,315	776,315	-
Other liabilities	-	-	-	-	1,693,485	1,693,485	-
Total	-	-	-	-	2,469,800	2,469,800	
2012							
Financial assets							
Cash assets	777,870	2,000,000	-	-	1,500	2,779,370	4.6%
Receivables	-	-	-	-	102,463	102,463	-
Total	777,870	2,000,000	-	-	103,963	2,881,833	
Financial liabilities							
Payables	-	-	-	-	592,670	592,670	-
Other liabilities	-	-	-	-	1,096,686	1,096,686	-
Total	-	-	-	-	1,689,356	1,689,356	

21. COMPANY DETAILS

The registered office and principal place of business is:

The Westhaven Association
32 Hawthorn Street
DUBBO NSW 2830

22. NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

The Australian Accounting Standards Board has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Association has decided not to early adopt. A discussion of those future requirements and their impact on the Association is as follows:

- AASB 9: Financial Instruments (applicable for annual reporting periods commencing on or after 1 January 2013).

  This standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as the recognition and derecognition requirements for financial instruments.

  The key changes to accounting requirements include:
  - Simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
  - Removing the tainting rules associated with held to maturity assets;
  - Allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

  The amendments are not expected to impact the Association.

- AASB 2011-8: Amendments to Australian Accounting Standards arising from AAS13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] (applicable for annual reporting periods commencing on or after 1 January 2013). AAS13 defines fair value, sets out in a single Standard framework for measuring fair value, and requires disclosures about fair value management. AASB113 requires inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy and enhanced disclosures regarding all assets and liabilities to be measured at fair value.

  The amendments are not expected to impact the Association.

- AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013). These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Association does not have any defined benefit plans and so is not impacted by the amendments.

22. NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS (Continued)

AASB 119 (September 2011) also includes changes to; require only those benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service to be classified as short-term employee benefits. All other employee benefits are to be classified as other long-term employee benefits, post-employment benefits or termination benefits, as appropriate; and, the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:

a) For an offer that may be withdrawn – when the employee accepts;
b) For an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
c) Where the termination is associated with a restructuring of activities under AASB 137 - Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions when the related restructuring costs are recognised.

End of Audited Financial Statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WESTHAVEN ASSOCIATION

Report on the Financial Statements

We have audited the accompanying financial statements of The Westhaven Association, which comprise the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the Association at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Statements

The directors of the Association are responsible for the preparation and fair presentation of the financial statements 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 financial statements that are 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.

Audit Responsibility

Our responsibility is to express an opinion on the financial statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial statements 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 Association'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 statements.

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 Corporations Act 2001.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
THE WESTHAVEN ASSOCIATION
(Continued)

Auditor's Opinion

In our opinion, the financial statements of The Westhaven Association are in accordance with the Corporations Act 2001, including:

1) giving a true and fair view of the Association's financial position as at 30 June 2013 and of their performance for the year ended on that date; and

2) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Morse Group

MORSE GROUP

JM Shanks

JM SHANKS
PARTNER

2 River Street
Dubbo
Dated: 27 August 2013