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

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2014

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DIRECTORS' REPORT

Your directors present their report on the Association for the financial year ended 30 June 2014.

DIRECTORS

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

N Carroll
J Cowley
J Devine (resigned 19 October 2013)
J Dixon
L Griffiths
A Jones
P Lewsam
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	8	7
J Cowley	8	6
J Devine	2	1
J Dixon	8	8
L Griffiths	8	3
A Jones	8	7
P Lewsam	8	4
R Tootell	8	7

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 2014, the total amount that members are liable to contribute if the Association is wound up is $435 (2013 - $455).

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2014 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 19th day of August 2014.

Luka 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 2014 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.

Luka Group

LUKA GROUP

JM Shanks

JM SHANKS
PARTNER

2 River Street
Dubbo
Dated: 19 August 2014

Chartered Accountants
COVER OF EXCELLENCE

Liability limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW)

THE WESTHAVEN ASSOCIATION
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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 26 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 2014 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 19th day of August 2014.

THE WESTHAVEN ASSOCIATION
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 $	2013 $
Revenue	2	10,119,360	9,640,955
Changes in inventories of finished goods and work in progress		(16,601)	17,511
Raw materials and consumables used		(176,652)	(188,260)
Employee expenses	3	(7,589,383)	(7,064,072)
Depreciation expense	3	(264,402)	(248,989)
Other expenses	3	(1,534,391)	(1,403,071)
Profit for the year		537,931	754,074
Other comprehensive income for the year		-	-
Total comprehensive income for the year		$537,931	$754,074

The accompanying notes form part of these financial statements.

THE WESTHAVEN ASSOCIATION
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Notes	2014 $	2013 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	4,055,060	4,623,674
Trade and other receivables	5	86,956	82,624
Inventories	6	192,710	209,311
Other assets	7	-	18,045
TOTAL CURRENT ASSETS		4,334,726	4,933,654
NON-CURRENT ASSETS			
Property, plant and equipment	8	4,901,024	4,397,073
TOTAL NON-CURRENT ASSETS		4,901,024	4,397,073
TOTAL ASSETS		9,235,750	9,330,727
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	618,069	776,315
Provisions	10	263,873	256,308
Other liabilities	11	1,198,924	1,693,485
TOTAL CURRENT LIABILITIES		2,080,866	2,726,108
NON-CURRENT LIABILITIES			
Provisions	10	424,970	412,636
TOTAL NON-CURRENT LIABILITIES		424,970	412,636
TOTAL LIABILITIES		2,505,836	3,138,744
NET ASSETS		$6,729,914	$6,191,983
EQUITY			
Retained earnings		6,729,914	6,191,983
TOTAL EQUITY		$6,729,914	$6,191,983

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 2014

	2014 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	781,809	858,264
Receipts from consumers	1,925,225	1,576,639
Grant moneys received - Commonwealth	982,804	961,195
Grant moneys received - State	6,458,592	7,295,394
Grant moneys received - Department of Employment, Education and Training	146,850	7,500
Interest received	149,877	138,029
Payments to suppliers and employees	(10,250,485)	(9,213,784)
Net cash flows provided by/(used in) operating activities (Note 13.3)	194,672	1,623,237
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	15,456	300,727
Purchase of property, plant and equipment	(778,742)	(79,660)
Net cash flows provided by/(used in) investing activities	763,286	221,067
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Net cash flows provided by /(used in) financing activities	-	-
Net increase/ (decrease) in cash and cash equivalents	(568,614)	1,844,304
Cash and cash equivalents at the beginning of the year	4,623,674	2,779,370
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Note 13.1)	$4,055,060	$4,623,674

The accompanying notes form part of these financial statements.

THE WESTHAVEN ASSOCIATION
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Retained Earnings $
Balance at 1 July 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
Profit for the year	537,931
Total other comprehensive income for the year	-
Balance at 30 June 2014	$6,729,914

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 26 August 2014 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%
Leasehold Improvements	50%
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% (2013 - 65%)
Westhaven Industries	30% (2013 - 30%)
Westhaven Property	5% (2013 - 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.

	2014 $	2013 $

2. REVENUE

	2014 $	2013 $
Revenue from government grants		
Government grants – Commonwealth	893,458	873,814
Government grants - State	6,314,573	6,089,632
Government grants - Department of Employment, Education and Training	133,500	6,818
	7,341,531	6,970,264
Other revenue		
Interest received	168,078	151,953
Sales – Westhaven industries	619,973	637,725
Consumer fees and rents – WASS	1,887,475	1,551,449
Donations and legacies	35,555	22,728
Gain on sale of property, plant and equipment	5,066	197,147
Insurance claim settlements	24,076	90,649
Fundraising	17,232	1,368
Other revenue	20,374	17,672
Total other income	2,777,829	2,670,691
Total Revenue	$10,119,360	$9,640,955

3. RESULT FROM OPERATIONS

3.1. Result from operations has been determined after:

	2014 $	2013 $
Expenses:		
Employee benefits expense		
- Salaries and wages	5,914,227	5,520,441
- Superannuation	561,899	513,982
- Workers compensation	445,320	432,614
- Annual leave	454,383	422,547
- Long service leave	69,158	50,673
- Staff training	110,774	88,552
- Staff amenities	22,102	22,540
- Staff uniforms	11,520	12,723
	$7,589,383	$7,064,072
Depreciation		
- Buildings	114,666	112,526
- Leasehold Improvements	17,904	-
- Plant and equipment	10,202	12,762
- Furniture and office machines	6,761	3,733
- Motor vehicles	114,869	119,968
	$264,402	$248,989

	2014 $	2013 $

3. RESULT FROM OPERATIONS (Continued)

	2014 $	2013 $
Cost of goods sold	$193,254	$170,749
Other expenses		
- Computer costs	60,927	59,904
- Electricity and gas	125,521	111,278
- Groceries and household assistance	338,588	306,147
- Insurance	48,786	46,446
- Motor vehicle expenses	109,293	96,583
- Rates	76,341	70,330
- Rent	60,613	39,144
- Repairs and maintenance	196,013	152,135
- Respite costs	26,620	131,645
- Telephone and internet	68,509	60,565
- All other expenses	423,180	328,894
	$1,534,391	$1,403,071
Gain/(loss) on disposal of property, plant and equipment		
Proceeds on sale of property, plant and equipment	15,456	300,727
Disposals at carrying value	(10,389)	(103,581)
	$5,067	$197,146

3.2. Auditor's remuneration

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

	2014 $	2013 $
Auditing the accounts	$25,200	$22,850

4. CASH AND CASH EQUIVALENTS

	2014 $	2013 $
Cash at bank	1,878,602	2,524,659
Cash on hand	2,000	1,500
Short term deposits	2,174,458	2,097,515
	$4,055,060	$4,623,674

5. TRADE AND OTHER RECEIVABLES

	2014 $	2013 $
Trade receivables	66,595	68,700
Less: provision for impairment	(365)	-
	66,230	68,700
Other receivables	20,726	13,924
	$86,956	$82,624

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. These amounts have been included in other expense items. Movement in the provision for impairment of receivables is as follows:

	2014 $	2013 $
Balance at the beginning of the year	-	-
Charge for the year	365	-
Balance at the end of the year	$365	$-

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.

5. TRADE AND OTHER RECEIVABLES (Continued)

5.2 Credit risk – trade and other receivables (Continued)

	Gross amount	Past due and Impaired	Past due but not impaired (days overdue) 31-60	61-90	>90	Within initial trade terms
	$	$	$	$	$	$
2014						
Trade receivables	66,595	365	26,814	649	912	37,855
Other receivables	20,726	-	-	-	-	20,726
Total	87,321	365	26,814	649	912	58,581
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

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

	2014	2013
	$	$
6. INVENTORIES		
Raw materials	124,357	113,425
Work in progress	7,436	8,899
Finished goods	60,917	86,987
	$192,710	$209,311
7. OTHER ASSETS		
Prepayments	$-	$18,045
8. PROPERTY, PLANT AND EQUIPMENT		
Land- at cost	1,364,944	1,208,944
Buildings		
- at cost	4,679,472	4,249,085
Less: accumulated depreciation	(1,536,701)	(1,422,036)
	3,142,771	2,827,049
Leasehold Improvements		
- at cost	55,828	-
Less: accumulated depreciation	(17,904)	-
	37,924	-

	2014 $	2013 $
8. PROPERTY, PLANT AND EQUIPMENT (Continued)		
Plant and equipment		
- at cost	352,185	343,150
Less: accumulated depreciation	(324,521)	(321,520)
	27,664	21,630
Furniture and office machines		
- at cost	119,479	306,502
Less: accumulated depreciation	(100,603)	(280,865)
	18,876	25,637
Motor vehicles		
- at cost	810,689	744,366
Less: accumulated depreciation	(501,844)	(430,553)
	308,845	313,813
	$4,901,024	$4,397,073

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.

2014	Land $	Buildings $	Leasehold Improve $	Plant and equipment $	Furniture and office machines $	Motor vehicles $	Total $
Opening balance at 1 July 2013	1,208,944	2,827,049	-	21,630	25,637	313,813	4,397,073
Additions	156,000	430,388	55,828	16,236	-	120,290	778,742
Disposals	-	-	-	-	-	(10,389)	(10,389)
Depreciation	-	(114,666)	(17,904)	(10,202)	(6,761)	(114,869)	(264,402)
Closing balance at 30 June 2014	1,364,944	3,142,771	37,924	27,664	18,876	308,845	4,901,024

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

2013	Land $	Buildings $	Leasehold Improve $	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

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. These valuations have not been brought to account as the Association has continued to adopt the cost basis for recording these asset classes.

	2014 $	2013 $
9. TRADE AND OTHER PAYABLES		
Trade and other payables	226,090	157,184
Other creditors and accruals	391,979	619,131
	$618,069	$776,315
10. PROVISIONS		
Current		
Annual leave	$263,873	$256,308
Non-current		
Annual leave	142,916	167,843
Long service leave	282,054	244,793
	$424,970	$412,636
Total Provisions	$688,843	$668,944
Opening balance at beginning of the year	668,944	616,351
Additional provisions raised during the year	19,899	52,593
Closing balance at the end of the year	$688,843	$668,944

	2014 $	2013 $

11. OTHER LIABILITIES

	2014 $	2013 $
Unexpended grants	1,190,319	1,684,684
Consumers service fees in advance	8,605	8,801
	$1,198,924	$1,693,485

12. SEGMENT INFORMATION

	2014 $	2013 $
Westhaven Accommodation Support Service (WASS)		
Income		
Consumer fees	1,393,042	1,355,640
Government grants		
- State	6,314,573	6,089,632
- Dept of Employment, Education and Training	114,818	6,818
Donations	5,166	-
Insurance claim settlement	7,920	76,080
Other income	375,739	72,554
	8,211,258	7,600,724
Expenses		
Operating expenses	(8,063,366)	(7,389,921)
Total WASS	147,892	210,803
Business Services		
Income		
Government grant		
- Commonwealth	893,458	873,814
- Other	12,956	2,000
Sales - Industries	665,392	640,010
Insurance claim settlement	16,156	14,569
Other income	442	2,426
	1,588,404	1,532,819
Expenses		
Cost of goods sold	(554,810)	(685,013)
Operating expenses	(1,007,954)	(839,392)
	(1,562,764)	(1,524,405)
Total Business Services	25,640	8,414

	2014 $	2013 $
12. SEGMENT INFORMATION (Continued)		
Corporate		
Income		
Donations	32,743	22,728
Interest received	168,078	151,953
Profit on sale of assets	5,066	20,727
Fundraising	14,818	1,367
Other income	5,894	30,778
	226,599	227,553
Expenses		
Operating expenses	(15,591)	(1,551)
Total Corporate	211,008	226,002
Property		
Income		
Consumer fees	132,637	131,050
Other income	-	2,571
Profit/loss on disposal of assets	-	176,419
Rental income	459,950	437,360
	592,587	747,400
Expenses		
Operating expenses	(439,196)	(438,544)
Total Property	153,391	308,856
Profit for the year	$537,931	$754,075

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:

	2014 $	2013 $
Cash assets	$4,055,060	$4,623,674

13. CASH FLOW INFORMATION (Continued)

13.2. Credit facility arrangements

	2014 $	2013 $
Offset loan facility	500,000	500,000
Loan owing	-	-
Available	$500,000	$500,000
Credit card facilities	125,000	100,000
Balance owing	(57,090)	(67,190)
Available	$67,910	$32,810

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

	2014 $	2013 $
Profit for year	537,931	754,074
Non cash flows		
Depreciation	264,402	248,989
Profit on disposal of property, plant and equipment	(5,066)	(197,146)
Changes in assets and liabilities		
Decrease/(increase) in receivables	(4,332)	1,794
Decrease/(increase) in inventories	16,601	(17,511)
Decrease/(increase) in other assets	18,045	-
(Decrease)/increase in payables	(158,246)	183,645
(Decrease)/increase in provisions	19,899	52,593
Increase/(decrease) in other liabilities	(494,562)	596,799
Net cash provided by operating activities	$194,672	$1,623,237

14. KEY MANAGEMENT PERSONNEL REMUNERATION

	2014 $	2013 $
Short-term benefits	156,722	169,302
Post employment benefits	2,840	1,875
	$159,562	$171,177

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 2014 (2013 - $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 2014, such guarantees aggregate to $435 (2013 - $455).

19. CAPITAL AND EXPENDITURE COMMITMENTS

There are no capital and expenditure commitments at 30 June 2014 (2013 - $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 2014.

(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.

(iv) Interest rate risk
Interest rate risk is managed with a mixture of fixed and floating rate debt. At 30 June 2014, the Association had no debt.

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

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

(vii) 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.

20. FINANCIAL RISK MANAGEMENT (Continued)

20.1. Financial Risk Management Policies (Continued)

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 2014 and 2013 do not include any counterparties with external credit ratings. Customers are assessed by management for credit worthiness.

(viii) 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:

	2014 $	2013 $
Change in profit		
Increase in interest rate by 1%	43,394	37,015
Decrease in interest rate by 1%	(43,394)	(37,015)
Change in equity		
Increase in interest rate by 1%	43,394	37,015
Decrease in interest rate by 1%	(43,394)	(37,015)

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

20. FINANCIAL RISK MANAGEMENT (Continued)

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.

		Fixed Interest Maturing in					
2014	Floating Interest Rate	<1 year	>1 year <5 years	>5 years	Non-Interest Bearing	Total	Weighted Average Effective Interest Rate
Financial assets							
Cash assets	1,878,602	2,174,458	-	-	2,000	4,055,060	4.0%
Receivables	-	-	-	-	86,956	86,956	-
Total	1,878,602	2,174,458	-	-	88,956	4,142,016	
Financial liabilities							
Payables	-	-	-	-	618,069	618,069	-
Other liabilities	-	-	-	-	1,198,924	1,198,924	-
Total	-	-	-	-	1,816,993	1,816,993	
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	

21. FAIR VALUE MEASUREMENT

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

- Financial assets at fair value through profit and loss;
- Available for sale financial assets; and
- Freehold land and buildings.

The Association does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

21. FAIR VALUE MEASUREMENT (Continued)

a) Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined by using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Association selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Association are consistent with one or more of the following valuation approaches.

- *Market approach*: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach*: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach*: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Association gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the Association's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy.

21. FAIR VALUE MEASUREMENT (Continued)

a) Fair Value Hierarchy (Continued)

2014	Note	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements					
Non-financial assets					
Freehold land	8	-	1,364,944	-	1,364,944
Freehold buildings	8	-	3,142,771	-	3,142,771
Total non-financial assets recognised at fair value		-	4,507,715	-	4,507,715

2013	Note	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements					
Non-financial assets					
Freehold land	8	-	1,208,944	-	1,208,944
Freehold buildings	8	-	2,827,049	-	2,827,049
Total non-financial assets recognised at fair value		-	4,035,993	-	4,035,993

There were no transfers between Level 1 and Level 2 for assets measured at fair value on a recurring basis during the reporting period (2013: no transfers).

b) Valuation Techniques and Inputs Used to Measure Level 2 Fair Values

Description	Fair value at 30 June 2014 $	Valuation Technique(s)	Inputs Used
Non-financial assets			
Freehold land	1,364,944	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology	Price per hectare; market borrowing rate
Freehold buildings	3,142,771	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology	Price per square metre; market borrowing rate
	$4,507,715		

21. FAIR VALUE MEASUREMENT (Continued)

b) Valuation Techniques and Inputs Used to Measure Level 2 Fair Values (Continued)

The fair value of freehold land and buildings is determined at least every five years based on valuations by an independent valuer. At the end of each intervening period, the directors review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data and discounted cash flow methodologies.

There were no changes during the period in the valuation techniques used by the Association to determine Level 2 fair values.

c) Disclosed Fair Value Measurements

The following assets and liabilities are measured at fair value in the statement of financial position and are disclosed in the notes:

- Trade and other receivables; and
- Trade and other payables

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used.

Description	Note	Fair Value Hierarchy Level	Valuation Technique(s)	Inputs Used
Assets				
Trade and other receivables	5	1	Income approach using discounted cash flow methodology	Market interest rates for similar assets
Liabilities				
Trade and other payables	9	1	Income approach using discounted cash flow methodology	Market interest rates for similar assets

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.

22. NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

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

- AASB 9: *Financial Instruments* (December 2010) and AASB 2010-7: *Amendments to Australian Accounting Standards arising from AASB 9* (December 2010).

  These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

  The key changes made to accounting requirements relevant to the Association include:

  - Simplifying the classifications of financial assets into those carried at amortised cost and those at fair value;
  - Removing the tainting rules associated with held-to-maturity assets;

  These Standards are mandatorily applicable for annual reporting periods commencing on or after 1 January 2015.

The change in Standard is not expected to impact on the Association.

23. COMPANY DETAILS

The registered office and principal place of business is:

The Westhaven Association
32 Hawthorn Street
DUBBO NSW 2830

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 2014, 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.

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 2014 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.

LUKA GROUP

JM SHANKS
PARTNER

2 River Street
Dubbo
Dated: 19 August 2014