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

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2015

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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 2015.

DIRECTORS

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

D Anemaat (appointed 23 September 2014)
N Carroll (resigned 25 October 2014)
J Cowley (resigned 23 September 2014)
J Dixon
L Griffiths (resigned 25 October 2014)
P Halpin (appointed 23 September 2014, resigned 25 February 2015)
D Hayes (appointed 19 August 2014)
A Jones
P Lewsam (resigned 25 October 2014)
G Marchant (appointed 25 February 2015)
A Russell
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
J Dixon	President	Retired School Principal
A Russell	Senior Vice President	Barrister/Business woman
D Hayes	Junior Vice President	Businessman
R Tootell	Treasurer	Businessman
A Jones	Company Secretary	Accountant / Local Govt Councillor
D Anemaat		Business woman
G Marchant		Retired Business Manager

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
D Anemaat	7	5
N Carroll	3	3
J Cowley	2	-
J Dixon	10	10
L Griffiths	3	1
P Halpin	2	1
D Hayes	9	6
A Jones	10	5
P Lewsam	3	-
G Marchant	5	5
A Russell	10	10
R Tootell	10	9

THE WESTHAVEN ASSOCIATION
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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 2015, the total amount that members are liable to contribute if the Association is wound up is $290 (2014 - $435).

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2015 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 22nd day of September 2015.

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 2015 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: 22 September 2015

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 30 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 2015 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 22nd day of September 2015.

THE WESTHAVEN ASSOCIATION
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 $	2014 $
Revenue	2	12,060,750	10,119,360
Changes in inventories of finished goods and work in progress		(77,680)	(16,601)
Raw materials and consumables used		(124,711)	(176,652)
Employee expenses	3	(9,275,340)	(7,589,383)
Depreciation expense	3	(336,368)	(264,402)
Other expenses	3	(1,536,407)	(1,534,391)
Profit for the year		710,244	537,931
Other comprehensive income for the year		-	-
Total comprehensive income for the year		$710,244	$537,931

The accompanying notes form part of these financial statements.

THE WESTHAVEN ASSOCIATION
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Notes	2015 $	2014 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	2,769,478	4,055,060
Trade and other receivables	5	895,056	86,956
Inventories	6	115,030	192,710
Other assets	7	53,239	-
TOTAL CURRENT ASSETS		3,832,803	4,334,726
NON-CURRENT ASSETS			
Property, plant and equipment	8	5,680,083	4,901,024
TOTAL NON-CURRENT ASSETS		5,680,083	4,901,024
TOTAL ASSETS		9,512,886	9,235,750
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	802,693	618,069
Provisions	10	295,509	263,873
Other liabilities	11	534,238	1,198,924
TOTAL CURRENT LIABILITIES		1,632,440	2,080,866
NON-CURRENT LIABILITIES			
Provisions	10	440,288	424,970
TOTAL NON-CURRENT LIABILITIES		440,288	424,970
TOTAL LIABILITIES		2,072,728	2,505,836
NET ASSETS		$7,440,158	$6,729,914
EQUITY			
Retained earnings		7,440,158	6,729,914
TOTAL EQUITY		$7,440,158	$6,729,914

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	781,638	781,809
Receipts from consumers	2,304,168	1,925,225
Grant moneys received - Commonwealth	1,079,732	982,804
Grant moneys received - State	8,002,223	6,458,592
Grant moneys received - Department of Employment, Education and Training	88,300	146,850
Interest received	112,418	149,877
Payments to suppliers and employees	(12,551,361)	(10,250,485)
Net cash flows provided by/(used in) operating activities (Note 13.3)	(182,882)	194,672
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	12,727	15,456
Purchase of property, plant and equipment	(1,115,427)	(778,742)
Net cash flows provided by/(used in) investing activities	(1,102,700)	(763,286)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Net cash flows provided by /(used in) financing activities	-	-
Net increase/ (decrease) in cash and cash equivalents	(1,285,582)	(568,614)
Cash and cash equivalents at the beginning of the year	4,055,060	4,623,674
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Note 13.1)	$2,769,478	$4,055,060

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 2015

	Retained Earnings $
Balance at 1 July 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
Profit for the year	710,244
Total other comprehensive income for the year	-
Balance at 30 June 2015	$7,440,158

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 22 September 2015 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. Fair Value of Assets and Liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair value of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (that is, the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, information is extracted from the most advantageous market available to the co-operative at reporting date (that is, the market that maximises the receipts from the sale of the asset or minimises the payment made to transfer the liability, after taking into account transaction costs and transport costs).

For non financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of an identical or similar financial instrument, by reference to observable market information where identical or similar assets are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective notes to the financial statements.

1.13. Head Office Costs

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

Westhaven Accommodation Support Service (WASS)	84% (2014 – 77%)
Westhaven Industries	0% (2014 – 2%)
Westhaven Property	0% (2014 – 5%)
Westhaven Business Services	16% (2014 – 15%)

1.14. 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.

1.15. 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.

1.16. 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

	2015 $	2014 $
Revenue from government grants		
Government grants – Commonwealth	981,574	893,458
Government grants - State	7,879,008	6,314,573
Government grants - Department of Employment, Education and Training	80,273	133,500
	8,940,855	7,341,531
Other revenue		
Interest received	137,599	168,078
Sales – Westhaven industries	652,590	619,973
Consumer fees and rents – WASS	2,258,989	1,887,475
Donations and legacies	20,353	35,555
Gain on sale of property, plant and equipment	12,727	5,066
Insurance claim settlements	19,092	24,076
Fundraising	544	17,232
Other revenue	18,001	20,374
Total other income	3,119,895	2,777,829
Total Revenue	$12,060,750	$10,119,360

3. RESULT FROM OPERATIONS

3.1. Result from operations has been determined after:

	2015 $	2014 $
Expenses:		
Employee benefits expense		
- Salaries and wages	8,083,337	6,417,869
- Superannuation	719,846	561,899
- Workers compensation	321,990	445,320
- Annual leave	36,349	(17,362)
- Long service leave	10,605	37,261
- Staff training	55,191	110,774
- Staff amenities	33,816	22,102
- Staff uniforms	14,206	11,520
	$9,275,340	$7,589,383
Depreciation		
- Buildings	138,344	114,666
- Leasehold Improvements	27,914	17,904
- Plant and equipment	13,634	10,202
- Furniture and office machines	10,353	6,761
- Motor vehicles	146,123	114,869
	$336,368	$264,402

	2015 $	2014 $

3. RESULT FROM OPERATIONS (Continued)

	2015 $	2014 $
Cost of goods sold	$202,391	$193,253
Other expenses		
- Computer costs	129,068	60,927
- Electricity and gas	131,010	125,521
- Groceries and household assistance	401,841	338,588
- Insurance	50,285	48,786
- Motor vehicle expenses	156,423	109,293
- Rates	82,819	76,341
- Rent	99,198	60,613
- Repairs and maintenance	219,948	196,013
- Respite costs	70,628	26,620
- Telephone and internet	108,595	68,509
- All other expenses	86,592	423,180
	$1,536,407	$1,534,391
Gain/(loss) on disposal of property, plant and equipment		
Proceeds on sale of property, plant and equipment	12,727	15,455
Disposals at carrying value	-	(10,389)
	$12,727	$5,066

3.2. Auditor's remuneration

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

	2015 $	2014 $
Auditing the accounts	26,460	25,200
Other services	3,080	-
	$29,540	$25,200

4. CASH AND CASH EQUIVALENTS

	2015 $	2014 $
Cash at bank	623,934	1,878,602
Cash on hand	2,614	2,000
Short term deposits	2,142,930	2,174,458
	$2,769,478	$4,055,060

5. TRADE AND OTHER RECEIVABLES

	2015 $	2014 $
Trade receivables	553,223	66,595
Less: provision for impairment	(224)	(365)
	552,999	66,230
Other receivables	342,057	20,726
	$895,056	$86,956

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:

	2015 $	2013 $
Balance at the beginning of the year	365	-
Charge for the year	-	365
Written off during the year	(141)	-
Balance at the end of the year	$224	$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)			Within initial trade terms
			31-60	61-90	>90	
	$	$	$	$	$	$
2015						
Trade receivables	553,223	224	475,837	21,747	1,007	54,408
Other receivables	342,057	-	-	-	-	342,057
Total	895,280	224	475,837	21,747	1,007	396,465
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

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

	2015 $	2014 $
6. INVENTORIES		
Raw materials	81,275	124,357
Work in progress	1,186	7,436
Finished goods	32,569	60,917
	$115,030	$192,710
7. OTHER ASSETS		
Prepayments	$53,239	$-
8. PROPERTY, PLANT AND EQUIPMENT		
Land - at cost	1,464,144	1,364,944
Buildings		
- at cost	5,256,723	4,679,472
Less: accumulated depreciation	(1,675,046)	(1,536,701)
	3,581,677	3,142,771
Leasehold Improvements		
- at cost	55,828	55,828
Less: accumulated depreciation	(45,818)	(17,904)
	10,010	37,924

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

	2015 $	2014 $
Plant and equipment		
- at cost	393,369	352,185
Less: accumulated depreciation	(338,154)	(324,521)
	55,215	27,664
Furniture and office machines		
- at cost	147,575	119,479
Less: accumulated depreciation	(110,955)	(100,603)
	36,620	18,876
Motor vehicles		
- at cost	1,146,003	810,689
Less: accumulated depreciation	(613,586)	(501,844)
	532,417	308,845
	$5,680,083	$4,901,024

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.

2015	Land $	Buildings $	Leasehold Improve $	Plant and equipment $	Furniture and office machines $	Motor vehicles $	Total $
Opening balance at 1 July 2014	1,364,944	3,142,771	37,924	27,664	18,876	308,845	4,901,024
Additions	99,200	577,250	-	41,185	28,097	369,695	1,115,427
Disposals	-	-	-	-	-	-	-
Depreciation	-	(138,344)	(27,914)	(13,634)	(10,353)	(146,123)	(336,368)
Closing balance at 30 June 2015	1,464,144	3,581,677	10,010	55,215	36,620	532,417	5,680,083

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

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

	2015 $	2014 $
9. TRADE AND OTHER PAYABLES		
Trade and other payables	274,701	226,090
Other creditors and accruals	527,992	391,979
	$802,693	$618,069
10. PROVISIONS		
Current		
Annual leave	$295,509	$263,873
Non-current		
Annual leave	147,629	142,916
Long service leave	292,659	282,054
	$440,288	$424,970
Total Provisions	$735,797	$688,843
Opening balance at beginning of the year	688,843	668,944
Additional provisions raised during the year	46,954	19,899
Closing balance at the end of the year	$735,797	$688,843

	2015 $	2014 $

11. OTHER LIABILITIES

	2015 $	2014 $
Unexpended grants	525,317	1,190,319
Consumers service fees in advance	8,921	8,605
	$534,238	$1,198,924

12. SEGMENT INFORMATION

Westhaven Accommodation Support Service (WASS)

	2015 $	2014 $
Income		
Consumer fees	1,560,056	1,393,042
Government grants		
- State	8,007,026	6,314,573
- Dept of Employment, Education and Training	68,818	114,818
- Dept of Social Services	22,090	-
Donations	15,562	5,166
Insurance claim settlement	18,248	7,920
Other income	1,201,242	375,739
	10,893,042	8,211,258
Expenses		
Operating expenses	(10,140,431)	(8,063,366)
Total WASS	752,611	147,892

Business Services

	2015 $	2014 $
Income		
Government grant		
- Dept of Employment, Education and Training	11,455	893,458
- Dept of Social Services	831,466	12,956
Sales - Industries	704,816	665,392
Donations	4,791	-
Insurance claim settlement	844	16,156
Other income	133,139	442
	1,686,511	1,588,404
Expenses		
Cost of goods sold	(684,983)	(554,810)
Operating expenses	(1,043,895)	(1,007,954)
	(1,728,878)	(1,562,764)
Total Business Services	(42,367)	25,640

12. SEGMENT INFORMATION (Continued)

	2015 $	2014 $
Corporate		
Income		
Donations	-	32,743
Interest received	-	168,078
Profit on sale of assets	-	5,066
Fundraising	-	14,818
Other income	-	5,894
	-	226,599
Expenses		
Operating expenses	-	(15,591)
Total Corporate	-	211,008
Property		
Income		
Consumer fees	-	132,637
Other income	-	-
Profit/loss on disposal of assets	-	-
Rental income	-	459,950
	-	592,587
Expenses		
Operating expenses	-	(439,196)
Total Property	-	153,391
Profit for the year	$710,244	$537,931

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:

	2015 $	2014 $
Cash assets	$2,769,478	$4,055,060

	2015 $	2014 $

13. CASH FLOW INFORMATION (Continued)

13.2. Credit facility arrangements

	2015 $	2014 $
Offset loan facility	500,000	500,000
Loan owing	-	-
Available	$500,000	$500,000
Credit card facilities	120,000	125,000
Balance owing	(52,383)	(57,090)
Available	$67,617	$67,910

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

	2015 $	2014 $
Profit for year	710,244	537,931
Non cash flows		
Depreciation	336,368	264,402
Profit on disposal of property, plant and equipment	(12,727)	(5,066)
Changes in assets and liabilities		
(Increase)/decrease in receivables	(808,100)	(4,332)
Decrease/(increase) in inventories	77,680	16,601
(Increase)/decrease in other assets	(53,239)	18,045
Increase/(decrease) in payables	184,624	(158,246)
Increase/(decrease) in provisions	46,954	19,899
Increase/(decrease) in other liabilities	(664,686)	(494,562)
Net cash provided by operating activities	$(182,882)	$194,672

14. KEY MANAGEMENT PERSONNEL REMUNERATION

	2015 $	2014 $
Short-term benefits	165,060	156,722
Post employment benefits	4,770	2,840
	$169,830	$159,562

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 ASSETS AND CONTINGENT LIABILITIES

The Association has no contingent liabilities and contingent assets at 30 June 2015 (2014 - $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 2015, such guarantees aggregate to $290 (2014 - $435).

19. CAPITAL AND EXPENDITURE COMMITMENTS

There are no capital and expenditure commitments at 30 June 2015 (2014 - $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 2015.

(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.

(iii) Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. At 30 June 2015, the Association had no debt.

(iv) Foreign currency risk

The Association is not exposed to fluctuations in foreign currencies.

(v) Liquidity risk

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

(vi) 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 2015 and 2014 do not include any counterparties with external credit ratings. Customers are assessed by management for credit worthiness.

(vii) 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 2015, 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:

	2015 $	2014 $
Change in profit		
Increase in interest rate by 1%	34,100	43,394
Decrease in interest rate by 1%	(34,100)	(43,394)
Change in equity		
Increase in interest rate by 1%	34,100	43,394
Decrease in interest rate by 1%	(34,100)	(43,394)

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					
2015	Floating Interest Rate	<1 year	>1 year <5 years	>5 years	Non-Interest Bearing	Total	Weighted Average Effective Interest Rate
Financial assets							
Cash assets	623,934	2,142,930	-	-	2,614	2,769,478	4.0%
Receivables	-	-	-	-	895,056	895,056	-
Total	623,934	2,142,930	-	-	897,670	3,664,534	
Financial liabilities							
Payables	-	-	-	-	802,693	802,693	-
Other liabilities	-	-	-	-	534,238	534,238	-
Total	-	-	-	-	1,336,931	1,336,931	
2014							
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	

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)

2015	Note	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements					
Non-financial assets					
Freehold land	8	-	1,464,144	-	1,464,144
Freehold buildings	8	-	3,581,677	-	3,581,677
Total non-financial assets recognised at fair value		-	5,045,821	-	5,045,821

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

There were no transfers between Level 1 and Level 2 for assets measured at fair value on a recurring basis during the reporting period (2014: no transfers).

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

Description	Fair value at 30 June 2015 $	Valuation Technique(s)	Inputs Used
Non-financial assets			
Freehold land	1,464,144	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	3,581,677	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology	Price per square metre; market borrowing rate
	$5,045,821		

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;
- Trade and other payables; and
- Other liabilities

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
Other liabilities	11	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 following Australian Accounting Standards have been issued or amended and are applicable to the Association but are not yet effective and have not been adopted in preparation of the financial statements at reporting date.

- AASB 9: Financial Instruments (December 2014) (applicable for annual reporting periods commencing on or after 1 January 2019). This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

  The following requirements have generally been carried forward unchanged from AASB 139 Financial Instruments: Recognition and Measurement into AASB 9:- Classification and measurement of financial liabilities; and Derecognition requirements for financial assets and liabilities.

  - However, AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.
  - Financial assets that are debt instruments will be classified according to the objectives of the business model for managing those assets and the characteristics of their cashflows.
  - Recognition of credit losses are to no longer be dependent on the Association first identifying a credit loss event.
  - The Association will consider a broader range of information when assessing credit risk and measuring expected credit losses including past experience of historical losses for similar financial instruments.

  The Association has not yet determined any potential impact on the financial statements. The amendments are not expected to significantly impact to the Association.

- AASB 15 Revenue from contracts from Customers (applicable to annual reporting periods commencing on or after 1 January 2017).

  Revenue from financial instruments is not covered by this new Standard, but AASB 15 establishes a new revenue recognition model for other types of revenue.

  This Standard is not expected to significantly impact 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

Luka Group
ACCOUNTANTS & ADVISORS

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 2015, 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 2015 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

LUKA GROUP

JM Shanks

JM SHANKS
PARTNER

2 River Street
Dubbo
Dated: 22 September 2015