

Wintringham



A life of tough manual labour has earned Vinnie Shingles the comfort of soft pyjamas and an early morning smoke. Born near Warragul in Gippsland, Vinnie worked as a labourer on farms, at the abattoirs and the steelworks. These days he loves to walk and fish, and to look at cars and collect cans. He's still a steelworker at heart.

06:45

Annual Report 2003-04

'A day in the life'

Contents

Introduction	3
President's Report	4
Chief Executive Officer's Report	7
Financial Statements	10

Theme

The theme of this year's Annual Report, 'A day in the life', is a depiction of the every day activity of Wintringham's residents and personnel. With much of the company's activity being focused on the way life is lived, we felt it appropriate to share a snapshot of this through photographic and written description.

Credits

The photographs were taken on assignment by Rebecca Baldwin, a Melbourne-based photographic student and freelancer. The shoot was conducted in the course of one day at a number of Wintringham's operational settings including head office in Flemington. All of the photos were taken as subjects went about their daily activities.

Profile writing was provided by Dean Felton.

Concept, design and production of the Annual Report was undertaken by Dialogue Visual Communication.

Wintringham

ABN 97 007 293 478

Head Office
136 Mt Alexander Road
PO Box 193
Flemington Victoria 3031

T 03 9376 1122
F 03 9376 8138
E admin@wintringham.org.au
I www.wintringham.org.au



Living is more leisurely these days for Norman Green, who began a life of labouring at age 15. After collecting the newspaper for the hostel, Norman packs every day with variety: coffee mornings, watching sports, trips to the cinema or videos at home, music (he loves rock 'n' roll from the '50s & '60s), a hand of cards, or pottering in the kitchen. Norman's secret wish? He wants to learn to cook a roast.

08:32



Christina has made it to 100, and as a passionate Richmond supporter, wants to see her team claim another premiership. It's great when they win, she says, but when they lose – well, it's only a game. Christina is convinced that the key to a long life is to stay active. Barracking for the Tigers keeps you on your toes!

09:45

3 Introduction

Wintringham is a not-for-profit welfare company providing housing, care and support to 650 frail and elderly men and women each night, most of whom were homeless or at risk of becoming homeless.

From its inception in 1989, the company has always been guided by the principle that its elderly residents are entitled to receive the same standards of care that the rest of the community sees as its right.

Currently Wintringham operates, or is developing:

- McLean Lodge, a 34-bed hostel in Flemington
- Wintringham Hostel, a 60-bed hostel in Williamstown
- 60 independent Living Units for the elderly in Williamstown
- Wintringham Port Melbourne, a 35-bed hostel at Beacon Cove
- A 40-bed Community Housing Programme in Melbourne's CBD
- Outreach Projects funded under the Commonwealth's ACHA Programme as well as a Victorian Government's Community Connections Program in Melbourne's CBD and Eastern Suburbs
- Atkins Terrace, 20 one-bedroom apartments in Kensington Banks
- 271 Community Aged Care Packages in Melbourne's eastern and western suburbs
- The Ron Conn Nursing Home, a 60-bed facility in Avondale Heights (scheduled for completion in early 2005)
- 20 Independent Living Units for the elderly in East Bentleigh

As well, Wintringham participates in a range of forums that seek to widen and improve access to community services for aged homeless people.

Wintringham was created from the conviction that the elderly poor should not have to live and die in homeless persons' night shelters. Since then, the company's revolutionary approach to aged care, its forward thinking and its motivating philosophy of 'Options, Dignity, Rights' for its residents have made it a global pacesetter in the care of the elderly homeless.

The company bears the name of 'Tiny' Wintringham, a homeless man who, in the late 1960s, gathered support from government, unions and the media to prevent the closure of Gordon House, a night shelter in the Melbourne CBD. Tiny's successful fight against what appeared to be insurmountable obstacles continues to inspire the company named in his honour.

Wintringham's past year has again been exciting, fulfilling and eventful.

In the years in which I have had the privilege to be a Director and write this report, it seems that each year brings more developments, new projects and the continuation of projects that have been underway for some time.

As I look back over the last few years, there are projects that have come to fruition, such as the construction of Atkins Terrace, Williamstown and Port Melbourne.

There are some projects, which have commenced and are ongoing such as Community Aged Care Packages and the Ron Conn Nursing Home.

There are also projects which are being considered and which may take up anywhere from a small to a large amount of our time in the future, such as Housing Associations.

There have been numerous significant highlights over the last year, some of which include the following:

- Completion of the housing project in East Bentleigh with the Office of Housing.
- Completion of 60 new units and a community room at Williamstown with the Office of Housing.
- Commencement of construction of the Ron Conn Nursing Home in Avondale Heights.
- Excellent results in relation to accreditation.
- Continued care for clients in the southern and western regions through Community Aged Care Packages.
- Ongoing support and encouragement from Ministers, their Department Heads and their staff.
- Generosity shown by a number of Philanthropic Trusts.

During the past year, a number of these matters and other projects have had significant time invested in them.

In addition, there are a number of other matters that are dealt with on a daily, weekly and monthly basis by the Board, senior executives and staff, which are vital to caring for our clients and efficiently operating a business the size of Wintringham.

No organisation runs effectively without a committed group of people within their Board, and so I take this opportunity to thank the Board of Directors for their ongoing support and commitment to Wintringham, its staff and the clients.

Further to this of course, is the exceptional work undertaken by Bryan Lipmann AM as Chief Executive Officer, together with Harry Georgalas, Frances Mirabelli and the rest of the staff and volunteers who work day by day caring for the clients of Wintringham.

I take this opportunity to thank them for their ongoing vision, commitment and enthusiasm working sometimes in difficult circumstances to care for a wide range of clients who are generally from a background of homelessness or at risk of being homeless.

The Board of Directors appreciates the assistance of all parties, both internal and external, who have assisted Wintringham to continue to care for its clients, and to expand and develop in the provision of that care.

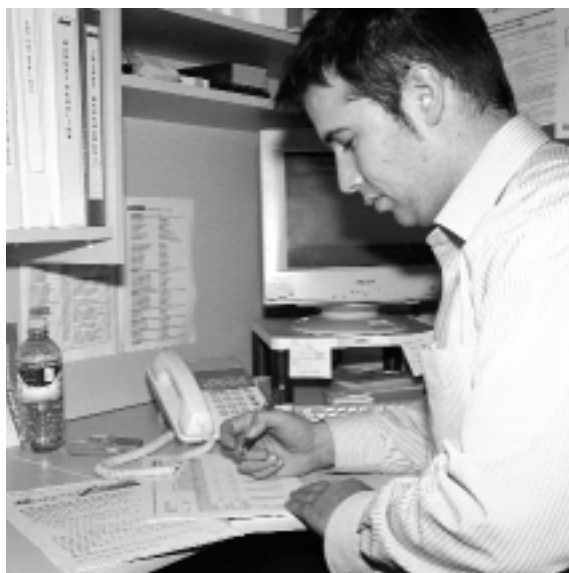
Jame Lewis, President





Frank Jenkins is a native of the inner city and has never moved far away for long. Born in West Brunswick, lived in St Kilda. Still has friends there. Frank worked on the railways, as a mechanic and a tyre moulder. He used to ride motorbikes and take in science fiction films. Lately he's more likely to be found spending some quiet time spent reading in the library or playing chess. A keen swimmer in his youth, Frank still thinks he should have tried diving from the high board. But not long ago he got an even better view of the world, perched high in a helicopter.

10:18



CLOCKWISE FROM TOP LEFT:

Michael harbours a fascinating family story about the legendary horse and wagon driven Holden Brothers Circus, of which he believes he is the only surviving member. He loves to tell of his 10 brothers and sisters, and his father, the famous one-legged acrobat Adolphus Holden. His greatest pleasure? A good strong cuppa, with a dash of lemonade.

Since joining Wintringham last year, Mark Grace has become a familiar face to staff across all sites as Occupational Health and Safety Coordinator.

Apprenticed at 14, James Grant went on to become an accomplished chef and still enjoys his cooking. (Although his secret ambition was to become Prime Minister!) James is not averse to a bet on the horses and looks forward all year to Melbourne's spring racing carnival.

Always keen for a chat about old times and travels in her younger days, Kathlene O'Loughlan takes time to enjoy the present too. A steady diet of cricket, tennis and footy on TV spurred her to grab medals in the Mini Olympics held at Westhaven Day Centre to celebrate the Athens Games.

11:15 -
11:47

This year Wintringham celebrated our 15th anniversary: it is an achievement that we are all very proud of and provides an opportunity for some reflection.

The idea of getting the elderly homeless out of Melbourne's night shelters, has been translated into the reality of a vibrant and rapidly growing non-religious public company that provides housing and aged care support to 650 people a night, that employs about 180 people and which is increasingly playing an important role in the development and influence of public policy effecting the elderly poor.

Along the way, we have had the privilege of meeting and working for some of the most amazing people. While the stories and lives of many of our clients are both heartbreaking and unjust, many of the people who have survived to end up living with Wintringham have the most inspiring tales to tell. While nobody who works with homeless people lacks motivation, it seems that perhaps because of their maturity and life experiences, the elderly homeless have particularly poignant survival stories to inspire those who work with them. I know that they have changed and enriched my own life beyond my capacity to express in words.

So too have the many people who have or still continue to work at Wintringham. Wintringham has not just provided care and services to aged people, it has also provided work and a career to people from a wide cross section of our society. As an employer, nothing gives me greater pleasure than to see young staff move through the company gaining confidence and experience on their way to accepting management responsibilities.

2003/04 was a very busy year for all of us at Wintringham. While the following reports on some of our activities, I would refer interested readers to our web address www.wintringham.org.au for a constant update on our activities and a broader summary of our existing services.

The year saw the completion and occupation of two major housing projects with the Office of Housing in East Bentleigh and Williamstown. At Chesterville Road, East Bentleigh the Office of Housing built 20 one bedroom apartments which we now manage. In Park Crescent Williamstown, the Office of Housing completed a 3 year redevelopment of our existing Lionsville site, replacing 48 units in need of substantial maintenance with 60 new older persons units and a central community meeting room.

Both projects feature fully wheelchair accessible units that offer an additional level of safety with fire sprinklers installed in all units. As with all of Wintringham's building projects, all units were fully occupied from the day they were opened – yet a further indication of the great shortage of supply of affordable housing for elderly people.

On the subject of affordable housing, Wintringham, in common with virtually all of the major Victorian community housing organisations participated in a Department of Human Services tender to become one of the four Housing Associations to be established later this year. At the time of writing this Report, the tenders were being assessed with a decision expected by the Government later in 2004.

While Wintringham remains committed to the establishment of Housing Associations and is keen to be selected as one of the providers, we have made known to the Government our concerns with the conditions under which such Housing Associations will be established. Our primary concern is the reluctance of the Government to transfer existing housing stock to the new Associations and the expectation that these Associations will be required to borrow extensively in order to construct new housing.

Wintringham considers that it is somewhat ironic that while Governments are keen to sell assets to retire public debt, they are expecting welfare organisations who have very limited equity base, to themselves raise debt. Hopefully further discussions on these issues will be possible with the Government. Certainly Wintringham recognises the desperate need to dramatically increase the stock of affordable housing, but we question whether this can be achieved without significant capital support from the State – either by grants or by stock transfer.

Irrespective of these comments, Wintringham remains committed to significantly increasing its housing stock and expects to be able to achieve a degree of growth regardless of the success or otherwise of the tender decision.

An area of our work where actual growth has been achieved is our community and outreach program, and particularly so with our Community Aged Care Packages. These packages, where aged care services are delivered into a person's home or where they are living, now number 271 with our application for additional places in the 2004 Aged Care Approval Round being awaited.

2004 saw the purchase of a southern office for the Community Aged Care Package program in South Road, Moorabbin. This office which was officially opened by the local State member, Rob Hudson, compliments our western office purchased in 2002. Wintringham now has full equity in three large two storey offices in addition to the various residential services we own and operate. This significant asset base underpins the continuing financial stability of the company.



FROM LEFT:

Born in Scotland, Ben Mitchell has always nurtured an insatiable wanderlust. He moved half a world away from home, reaching Australia as a young man, and at one time or another since has lived in most capital cities. A jack-of-all-trades in the building game, he specialised as a steel fixer. These days he prefers a fix of soccer or good music, while caring for his cat, Soxy.

Neville Flanagan uses his spare time to read widely, and loves to watch action movies and westerns. For a reality check, he enjoys keeping tabs on the pulse of the population via radio talkback programmes. At different times he has called Elwood and the Sydney suburbs home, but originally hails from Tasmania.

12:15

The long term aim of Wintringham has always been to be able to meet as many of the needs of elderly homeless people as possible. The concept of 'one stop shopping' is not dissimilar to our ideals at Wintringham. In order to minimise the constant movement from one service provider to another as a person's frailty increases, and all of the disruption and worry to elderly people that this entails, we aim to continually develop new responses and services that meet the needs of older persons.

Our outreach workers form the base of a constantly expanding web of services. Ideally we will one day reach the stage where all of the needs of our clients will be able to be met from within the company. An absolutely key service that we have always struggled to deliver has been high care or nursing home care. Although we have an extensive ageing-in-place service, there are limits to what can be achieved in buildings that are not designed to cater for the needs of high care residents or their staff.

With that in mind, the Board decided to build a nursing home that would meet the needs of the frailest of our clients, and as reported in last years Annual Report, we have selected a site in Avondale Heights to construct the Ron Conn Nursing Home, a 60 bed high care facility.

I am delighted to be able to say that work is now half completed on this magnificent building.

On the subject of residential aged care, I can provide a postscript to our Accreditation results. At the time of writing last years Annual Report, I was able to inform readers that we had successfully passed all standards at all of our facilities. The exciting news is that we were subsequently awarded a Merit standard in every facility – placing Wintringham in the top 1% of aged care services in Australia.

An important part of the work of Wintringham has always been advocacy and policy development. We have chosen not to take the path of extensive public commentary on welfare issues as many of our colleagues and competitors have done, but have instead formed the view that direct contact with decision makers is a more effective means of influencing the formation of public policy affecting homeless people.

This policy was vindicated when Wintringham was invited to be part of Professor Warren Hogan's Review of Pricing Arrangements in Residential Aged Care. Behind this cumbersome title, lay a \$7.2 million review of all matters affecting the present and future delivery of residential aged care in Australia. As the only homeless persons representative on this committee, we had a wonderful opportunity to give direct input to Professor Hogan on the needs of homeless people and the extra-ordinary barriers that stood in the way of them receiving fair and equal access to aged care services.

In spite of the immense size of the task that faced Professor Hogan, I was grateful that he showed a great deal of interest and compassion for the homeless aged and spent a disproportionate amount of his time visiting and talking with Wintringham as he came to grips with the problems faced by providers like us. I was particularly grateful that he included all of the recommendations that we made into his final report. While we were very disappointed that the Government chose not to respond to that section, we remain indebted to Professor Hogan for his efforts on behalf of homeless people.

Finally, I would once again wish to publicly thank Harry Georgalas and Frances Mirabelli for their hard work and support during the year, and to all of the other managers and staff at Wintringham. In particular, I would also like to thank our Board of Directors who have had a busy year with a number of important decisions regarding the future directions of the company.

The strength of Wintringham undoubtedly lies in the fact that the Board and staff have a shared vision for the company that remains one of social justice for aged homeless men and women.

Bryan Lipmann AM, Chief Executive Officer



CONTENTS

Directors' Report	10
Audit Report	15
Directors' Declaration	16
Statement of Financial Performance	17
Statement of Financial Position	17
Statement of Cash Flows	18
Notes to the Financial Statements	19

DIRECTORS' REPORT

The Directors present their report on the Company for the financial year ended 30 June 2004.

DIRECTORS

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

Mr Jame Lewis
 Ms Netty Horton
 Associate Professor Dr Elizabeth Ozanne
 Mr Howard Ronaldson
 Mr Ross Cooke
 Ms Sue Rosenhain
 Mr Jeff Gole
 Mr Bryan Lipmann AM
 Ms Emily Nolan
 Dr David Marsh
 (Commenced November 2003, resigned July 2004)

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 continuing activity of the organisation is the provision of housing and support services to homeless aged persons. There has been no change in the nature of the Company's principal activity during the year.

RESULTS

The operating surplus before capital items and donations for projects for the year ended 30 June 2004 was \$8,955.

The operating surplus after income tax for the year ended 30 June 2004 was \$2,187,468.

REVIEW OF OPERATIONS

A review of the operations of the company during the financial year and the results of those operations are as follows:

Aged Care Facilities – Hostels

Rising care levels across all our Hostels contributed to a 6.2% increase in gross hostel revenue to \$4.49 million for the year ended 30 June, 2004. Commonwealth increases in funding of an average of 1.4% were insufficient to meet increased wages and overhead costs which again saw an overall deficit in hostel operations of \$189,114 in the current year.

Housing and Outreach

During the year, Wintringham tenancy management services expanded to cover an additional 20 units at East Bentleigh and 14 units at Lionsville, Williamstown with the completion of the redevelopment of that site.



CLOCKWISE FROM TOP LEFT:

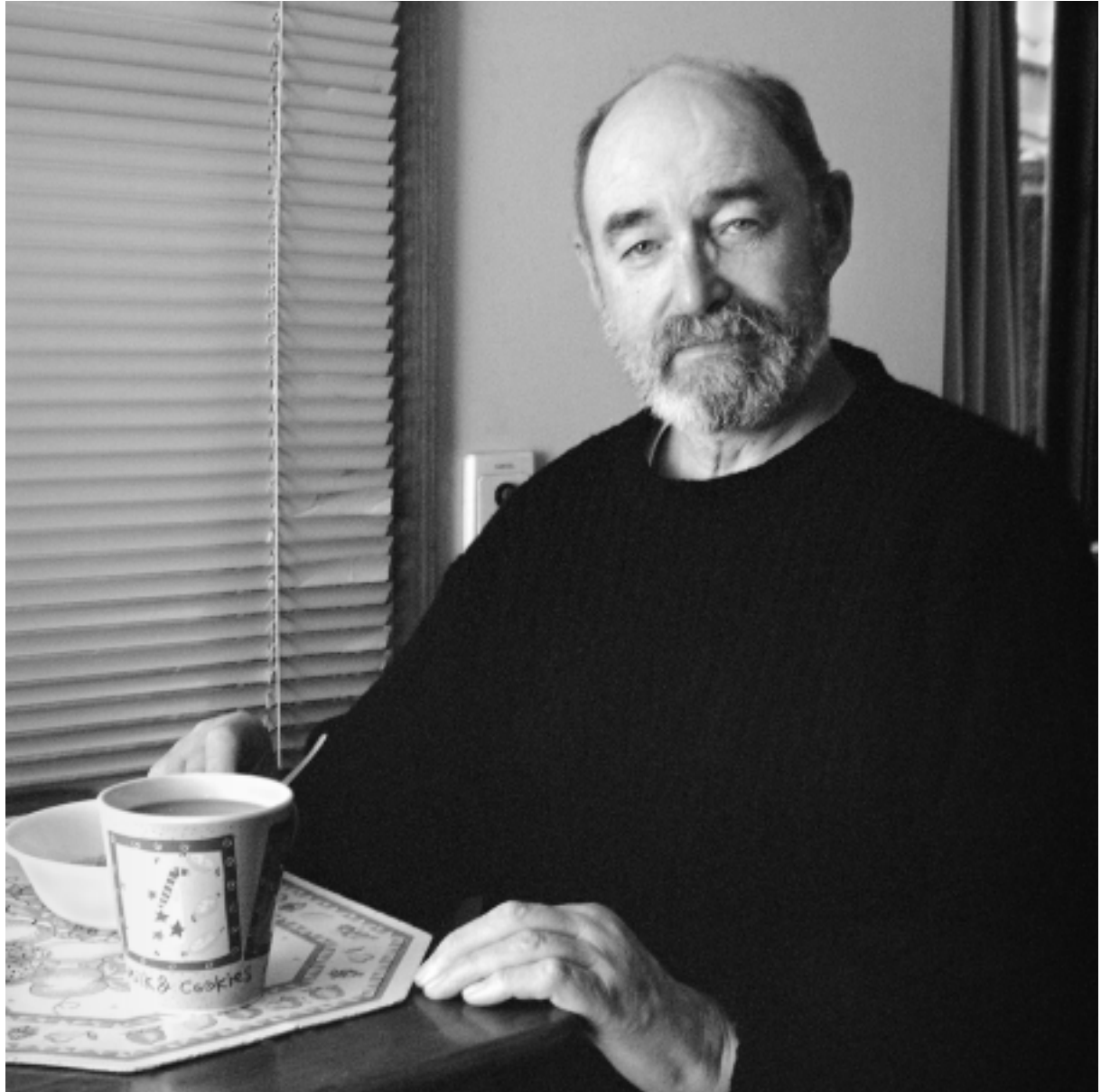
Wintringham's CEO, Bryan Lipmann discussing aspects of the design of the Ron Conn Nursing Home with architect Allen Kong.

President Jame Lewis and Wintringham's Chief Financial Officer, Harry Georgalas, deep in conversation about the month's financial statements.

Auditors John Phillips and Don Stewart from CW Stirling & Co discussing their presentation of the audited accounts to the Wintringham Board with Bryan Lipmann.

Directors Dr Elizabeth Ozanne and Dr Susan Rosenhain discussing the Company's strategic direction.

15:25 -
19:32



An Englishman by birth, Colin has spent the past 40 years in Australia. He worked in the air force and carved out a career as a woodworker. Formerly a keen golfer, Colin still enjoys the rub of the green with a frame or two of billiards. He's struck it lucky at ten pin bowling too, carrying off the trophy more than once.

12:35

In September 2003, tenancy management services at Ebsworth House and Guilford Lane came to a close, with the return of tenancy management responsibility to Melbourne Affordable Housing, the successor to Ecumenical Housing Inc. This will not have a material impact on Wintringham's operations.

Community Aged Care Packages

Community Aged Care Packages operating in the Western and Southern metropolitan areas of Melbourne contributed a total of \$3.25 million to operating revenue on 271 packages. The program continues to make a positive contribution to overall performance.

DIVIDENDS

The Constitution expressly prohibits the distribution of any surplus to the members of the Company and accordingly no dividend shall be paid.

FUTURE DEVELOPMENTS

The likely developments in the operations of the Company and the expected results of those operations in future financial years are as follows:

Wintringham commenced construction of the Ron Conn Nursing Home in November 2003 and it is anticipated that it will begin operations in April, 2005.

STATE OF AFFAIRS

There has been no significant change in the state of affairs of the Company during the year.

INFORMATION ON DIRECTORS

Jame Lewis

President
LIB. B.Comm
Commercial Lawyer
Appointed Director April 1995
Member: Executive Committee

Ross Cooke

Bachelor of Commerce (Melbourne University);
Member of the Institute of Chartered Accountants in Australia;
Extensive experience with financial consulting in Healthcare industry
Appointed Director November 1998
Member: Executive Committee

Netty Horton

BA (Hons) MA Public Policy
Former CEO of Council to Homeless Persons
Appointed Director May 1998
Member: Executive Committee

Elizabeth Ozanne

Head of Ageing and Long Term Care Research Unit and Chair of Research and Graduate Studies
School of Social Work, University of Melbourne
Appointed Director September 1994

Emily Nolan

Graduate Diploma of Applied Finance 1999
Bachelor of Accountancy (Property Valuation) 1995
Certificate in Real Estate Agency 1994
Portfolio Manager – VIC, SA & WA – Jones Lang LaSalle
Appointed Director December 2001

Jeff Gole

Certificate of Real Estate 1985
Certificate of Business Studies 1988
Managing Director, Gole Peden Pty Limited
Fellow of Real Estate Institute of Australia 2001
Past President of REIV 2000
Appointed Director December 2001

Howard Ronaldson

Secretary, Department of Infrastructure
Bachelor of Economics
Graduate Diploma of Accounting & Finance
Master of Business Administration
Appointed Director November 2002

Sue Rosenhain

PhD, BAppSci (Phty), Grad Dip HP
Appointed Director June 2003

Bryan Lipmann AM

Chief Executive Officer of Wintringham
Bachelor of Economics
Bachelor of Social Work
Appointed Director November 2002

MEETINGS OF DIRECTORS

During the financial year, eleven meetings of Directors (including committees) were held.

Attendances were:

NAME	DIRECTORS'		EXECUTIVE COMMITTEE	
	ELIGIBLE	ATTENDED	ELIGIBLE	ATTENDED
Jame Lewis	10	8	1	1
Ross Cooke	10	8	1	1
Netty Horton	10	9	1	1
Elizabeth Ozanne	10	9		
Emily Nolan	10	7		
Jeff Gole	10	7		
Howard Ronaldson	10	4		
Sue Rosenhain	10	8		
David Marsh*	6	4		
Bryan Lipmann AM	10	8	1	1

Note () Commenced November 2003*

AFTER BALANCE DATE EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

INDEMNIFYING OFFICER OR AUDITOR OF THE COMPANY

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or of a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer or auditor, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred by an officer or auditor for the costs or expenses to defend legal proceedings.

With the exception of the following matters:

During the financial year the Company has paid premiums to insure each of the following persons against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of officers of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

Jame Lewis
Emily Nolan
Ross Cooke
Netty Horton
David Marsh
Elizabeth Ozanne
Bryan Lipmann AM
Jeff Gole
Howard Ronaldson
Sue Rosenhain

Details of the premium are not disclosed as required under the terms and conditions of the insurance policy.

ENVIRONMENTAL ISSUES

The company's operations are not subject to significant environmental regulation under the law of the Commonwealth and State.

PROCEEDINGS ON BEHALF OF COMPANY

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

Signed at Melbourne, this 7th day of September, 2004.

In accordance with a resolution of the Directors.

Jame Lewis, Director

Bryan Lipmann AM, Director



AUDIT REPORT**Scope***The financial report and Directors' responsibility*

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the Directors' declaration for Wintringham (the company), for the year ended 30 June 2004.

The Directors of the company are responsible for the preparation and true and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Directors' financial reporting requirements under the Corporations Act 2001. We disclaim any assumptions of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report is presented fairly in accordance with the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia. No opinion is expressed as to whether the accounting policies used and described in Note 1, are appropriate to the needs of the members.

We formed our audit opinion on the basis of these procedures, which included:

examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and

assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

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

Audit opinion

In our opinion, the financial report of Wintringham is in accordance with:

- a. the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the company's financial position as at 30 June 2004 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
 - ii. complying with Accounting Standards in Australia to the extent described in Note 1 and the *Corporations Regulations 2001*; and
- b. other mandatory professional reporting requirements to the extent described in Note 1.

Signed at Melbourne, this 7th day of September, 2004.

C W Stirling & Co

Chartered Accountants

John A Phillips, Partner



DIRECTORS' DECLARATION

The Directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 17 to 24:
 - (a) comply with Accounting Standards, as described in Note 1 to the financial statements and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the Company's financial position as at 30 June 2004 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the opinion of the Directors, there are reasonable grounds to believe that the Company 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

Signed at Melbourne, this 7th day of September, 2004.

Jame Lewis, Director

Bryan Lipmann AM, Director



STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2004

	NOTE	2004 \$	2003 \$
Revenue from ordinary activities	2	11,175,124	8,493,315
Expenses from ordinary activities			
Employee benefits expense		5,927,998	5,322,972
Resident and client services		1,543,842	1,265,855
Property maintenance, utilities and insurance		855,260	625,119
Administration and other expenses		198,535	692,259
Total expenses		8,525,635	7,906,205
Surplus before tax and depreciation		2,649,489	587,110
Depreciation on property and plant and equipment		462,021	486,066
Surplus from ordinary activities before income tax expense	4	2,187,468	101,044
Income tax expense relating to ordinary activities	1(d)	-	-
Surplus from ordinary activities after income tax expense		2,187,468	101,044

The statement of financial performance should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2004

	NOTE	2004 \$	2003 \$
Current assets			
Cash assets	5	325,707	203,337
Receivables	6	968,124	308,682
Investments	7	3,592,036	3,306,953
Total current assets		4,885,867	3,818,972
Non-current assets			
Property, plant and equipment	8	17,963,370	15,740,134
Total non-current assets		17,963,370	15,740,134
Total assets		22,849,237	19,559,106
Current liabilities			
Accounts payable	9	665,873	586,057
Provisions	10	389,161	415,197
Other	11	1,187,683	390,664
Total current liabilities		2,242,717	1,391,918
Non-current liabilities			
Provisions	10	208,168	196,488
Other	11	2,354,216	2,114,033
Total non-current liabilities		2,562,384	2,310,521
Total liabilities		4,805,101	3,702,439
Net assets		18,044,136	15,856,667
Accumulated funds and reserves			
Asset revaluation reserve	12	3,507,554	3,507,554
Accumulated funds	13	14,536,582	12,349,113
Total accumulated funds and reserves		18,044,136	15,856,667

The statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2004

Cash flows from operating activities

Cash receipts in the course of operations
Interest received
Cash payments in the course of operations

Net cash provided by operating activities

Cash flows from investing activities

Proceeds on sale of non-current assets
Payments for property, plant and equipment

Net cash used in investing activities

Cash flows from financing activities

Donated capital inflows

Proceeds from capital subsidies

Net receipts / (payments) from accommodation bonds

Net cash provided by financing activities

Net increase / (decrease) in cash held

Cash at the beginning of the financial year

Cash at the end of the financial year

NOTE

2004

\$

2003

\$

17(ii)

17(i)

*The statement of cash flows is to be read in conjunction
with the accompanying notes.*

FOR THE YEAR ENDED 30 JUNE 2004

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a special purpose financial report prepared in order to meet the needs of members. The Directors have determined that the company is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards, UIG Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board, with the exception of the following:

AASB 1017: Related Party Disclosure

AASB 1033: Presentation and Disclosure of Financial Instruments

The financial report is also prepared on an accrual basis. It is based on historical costs and does not take into account changing money values on, except where specifically stated, current valuations of non-current assets.

The financial report covers Wintringham as an individual entity. Wintringham is a company limited by guarantee, incorporated and domiciled in Australia.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

(a) Acquisitions of assets

Fixed assets are included at cost or at Directors' valuation. Cost is determined as the fair value of the assets given at the date of acquisition plus costs incidental to the acquisition.

(b) Property, plant and equipment

Depreciation is calculated on a diminishing value and/or straight line basis so as to write off the net cost of each item of property, plant and equipment over its expected useful life commencing from the time the asset is held ready for use.

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

Class of fixed asset	Depreciation rate
Buildings	2.5%
Office equipment	6-50%
Fixtures and fittings	9-18%
Motor vehicles	22.5%

(c) Land and buildings

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

(d) Income tax

Wintringham is exempt from income tax.

(e) Company status

The Australian Securities Commission pursuant to Section 150 of the Corporations Act 2001 has authorised Wintringham to be registered as a Company with limited liability without the addition of the word "Limited" to its name.

(f) Employee entitlements

Provision is made for the Company's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages, salaries and annual leave which will be settled after one year have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at present value of the estimated future cash outflows to be made for those entitlements.

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

(g) Unearned accommodation bonds

In accordance with the Commonwealth Department of Health and Ageing guidelines, Hostels are entitled to retain a portion of a resident's accommodation bond. The amount which may be retained depends on the amount of the contribution and the length of time the resident has stayed in the Hostel. Unearned accommodation bonds represent that sum of accommodation bonds as yet unearned and payable to residents at year end should they leave the Hostel.

(h) Cash

For purposes of the statement of cash flows, cash includes:

- (i) Cash on hand and at call deposits with banks or financial institutions, and
- (ii) Investments in money market instruments with less than 14 days to maturity.

(i) Revenue

Revenue from the delivery of personal care services is recognised upon the delivery of services to residents based on Commonwealth funding levels.

Resident fees are calculated in accordance with the Aged Care Act 1997.

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

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

(j) Comparative

When necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

(k) Good and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST, where applicable.

(l) Adoption of Australian equivalents to International Financial Reporting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

Wintringham's Chief Financial Officer, along with its auditors, are assessing the significance of these changes and preparing for their implementation.

The Directors are of the opinion that given the nature of the organisation, changes to Wintringham's accounting policies are unlikely to be significant in nature.

	NOTE	2004 \$	2003 \$
2. REVENUE			
Operating activities			
Client income		1,585,271	1,456,729
Government operating subsidies		6,477,486	5,992,445
Accommodation bond retentions		75,246	120,054
Other operating income		259,677	215,394
		<u>8,397,680</u>	<u>7,784,622</u>
Non operating activities			
Investment earnings		210,345	154,202
Government capital grants		488,007	-
Donations		1,830,473	281,474
Proceeds on disposal of plant and equipment	3	233,415	247,708
Other non-operating income		15,204	25,309
		<u>2,777,444</u>	<u>708,693</u>
Total revenue		<u>11,175,124</u>	<u>8,493,315</u>
3. DISPOSAL OF FIXED ASSETS			
Revenue from sale of plant and equipment		233,415	247,708
Expense from sale of plant and equipment		(214,565)	(219,970)
Gain on sale of plant and equipment		<u>18,850</u>	<u>27,738</u>
4. OPERATING SURPLUS			
Surplus / (deficit) from ordinary activities before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the entity:			
<i>i. Expenses</i>			
Auditors remuneration			
Auditing accounts		17,350	17,317
Other services		-	-
Depreciation			
Buildings		274,518	270,284
Plant		67,124	100,781
Motor vehicle		120,379	115,001
Long service leave		30,324	64,074
Annual leave		426,892	393,093
Loss on disposal of non-current assets		-	250
Rental expense operating lease-minimum lease payments		15,588	16,508
<i>ii. Crediting as income</i>			
Interest received or receivable – other persons		210,345	154,202
Profit on sale of non-current assets		18,850	27,738

5. CASH ASSETS

	2004 \$	2003 \$
Cash on hand and at bank	116,452	67,790
Resident trust funds	186,990	112,152
Cash held on behalf of others	22,265	23,395
	<u>325,707</u>	<u>203,337</u>

6. RECEIVABLES

Accommodation bonds receivable	53,565	162,885
Trade debtors	32,788	44,878
Prepayments	50,725	67,432
Sundry debtors	780,408	33,487
GST Refund due	50,638	-
	<u>968,124</u>	<u>308,682</u>

7. INVESTMENTS

Cash management trusts	1,181,171	1,018,859
Commercial bills	2,410,865	2,288,094
	<u>3,592,036</u>	<u>3,306,953</u>

8. PROPERTY, PLANT & EQUIPMENT

Land – at Directors' valuation (30 June, 2000)	4,429,961	4,429,961
Buildings at:		
Directors valuation	10,250,000	10,250,000
Subsequent additions at cost	1,352,365	631,480
Construction work in progress	1,930,540	206,837
Total land and buildings – at cost and valuation	17,962,866	15,518,278
Less accumulated depreciation on buildings	(1,067,356)	(792,838)
	<u>16,895,510</u>	<u>14,725,440</u>
Plant and equipment	2,307,023	2,126,623
Less accumulated depreciation	(1,239,163)	(1,111,929)
	<u>1,067,860</u>	<u>1,014,694</u>
Total	20,269,889	17,644,901
Less accumulated depreciation	(2,306,519)	(1,904,767)
	<u>17,963,370</u>	<u>15,740,134</u>

(a) Movements in carrying amounts

	Land	Buildings	Plant & equipment	Total
Balance at beginning of year	4,429,961	10,295,479	1,014,694	15,740,134
Additions	133,000	2,249,309	466,181	2,848,490
Disposals	-	-	(163,233)	(163,233)
Depreciation expense	-	(274,518)	(187,503)	(462,021)
Carrying amounts at end of year	<u>4,562,961</u>	<u>12,270,270</u>	<u>1,130,139</u>	<u>17,963,370</u>

(b) Land and buildings were revalued as at 30 June 2000 in accordance with a resolution of the Board of Directors dated 3 October 2000. The revaluation was made in accordance with a policy of regular revaluation of property, plant and equipment. The valuation used by the Directors was based on a continuation of existing use.

No provision for deferred income tax is raised in respect of any potential capital gains tax, as Wintringham is exempt from income tax (Refer note 1(d)).

(c) The Williamstown Hostel is built on land owned by the Victorian Government. Wintringham was appointed as Committee of Management for the Williamstown Homes for the Aged Reserve under Section 14 of the Crown Land (Reserves) Act 1978 effective from 1 March 1990. As the property represented a resource utilised by Wintringham in the carrying out of its activities, it was included in the balance sheet. The inclusion of this asset in the balance sheet is consistent with the definition of an asset in the Statement of Accounting Concepts SAC4 "Definition and Recognition of the Elements of Financial Statements".

9. ACCOUNTS PAYABLE

Trade creditors
Other creditors and accruals
Resident's fees received in advance
Subsidies received in advance
Residents' funds in trust

	2004 \$	2003 \$
	145,346	126,671
	285,854	311,037
	32,887	26,386
	14,796	9,693
	186,990	112,270
	<u>665,873</u>	<u>586,057</u>

10. PROVISIONS

Current

Tax liability
Employee entitlements

	-	31,746
	389,161	383,451
	<u>389,161</u>	<u>415,197</u>

Non-current

Employee entitlements

	208,168	196,488
--	---------	---------

The number of employees at year end was 172 (2003, 176).

11. OTHER LIABILITIES

Current

Accommodation bonds
Capital funds received in advance

	102,500	102,500
	1,085,183	288,164
	<u>1,187,683</u>	<u>390,664</u>

Non-current

Accommodation bonds

	2,354,216	2,114,033
--	-----------	-----------

12. ASSET REVALUATION RESERVE

Balance at year end

	3,507,554	3,507,554
--	-----------	-----------

There was no movement during the financial year.

13. ACCUMULATED FUNDS

Accumulated funds at the beginning of the financial year
Surplus from ordinary activities
Accumulated funds at the reporting date

	12,349,113	12,248,069
	2,187,469	101,044
	<u>14,536,582</u>	<u>12,349,113</u>

14. SEGMENT REPORTING

The Company provides welfare services in Melbourne, Australia.

15. CONTINGENT LIABILITIES

(a) On the 18 September, 1996 the Director of Housing gifted land valued at \$720,000 to Wintringham as part of the Victorian Government's contribution to the construction of the Port Melbourne Hostel. As part of this contribution, on the 30 January, 1997 a first mortgage was created over the property located at Port Melbourne by the Director of Housing, which will become payable should Wintringham cease to provide for the needs of frail older people who are homeless or at risk of homelessness.

(b) On 16 July 1998, the Director of Housing made a grant totalling \$1,645,000 to Wintringham as part of the Victorian Government's contribution to the development of 20 one bedroom independent living units at Kensington. In February 1999 a first mortgage was created over the property located at Kensington by the Director of Housing which will become payable should Wintringham cease to provide for the needs of frail older people who are homeless or at risk of homelessness.

16. MEMBERS' GUARANTEE

The Company is limited by guarantee. If the Company is wound up, the Constitution states that:

Every member of the Company undertakes to contribute to the assets of the Company in the event of the Company being wound up while he or she is a member, or within one year of ceasing to be a member, such amount as may be required not exceeding twenty dollars (\$20.00), for the payment of the debts and liabilities of the Company contracted whilst the member or past member as the case may be was a member of the Company, and the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves. At 30 June 2004 the number of members was 48.

17. NOTES TO THE STATEMENT OF CASH FLOWS

	NOTE	2004 \$	2003 \$
(i) Cash as at the end of the financial year is reconciled as follows:			
Cash (excluding resident trust monies)		116,451	67,790
Investments	7	3,592,036	3,306,953
		<u>3,708,487</u>	<u>3,374,743</u>
(ii) Reconciliation of cash flow from operations with operating profit after income tax			
Operating surplus after income tax		2,187,468	101,044
Non-cash flows in operating surplus			
Depreciation		462,021	486,066
Profit on sale of property, plant and equipment		(18,850)	(27,738)
Donated capital funds brought to account		(1,737,980)	(206,837)
Add / (less) items classified as investing / financing activities			
Increase in provisions		17,390	104,689
Increase / (decrease) in debtors and receivables		(140,096)	40,385
Increase / (decrease) in trade creditors and accruals		(25,520)	173,865
Cash flow from operations		<u>744,433</u>	<u>671,474</u>

18. EVENTS SUBSEQUENT TO BALANCE DATE

No other matter has arisen since the end of the financial year that significantly affected or may effect the operations of Wintringham, the results of those operations, or the state of affairs in subsequent years.

19. BED LICENCES

At 30 June 2004, Wintringham held 129 low care bed licences to provide accommodation to residents at facilities operated by the Company.



Laurie Mochon did the heavy, hands-on jobs. Labourer, tiler, machine operator, brickie. But don't be fooled. This fan of AFL footy, roll-your-owns and tough-guy westerns can just as easily turn his hand to dominoes, loves a party, and is even an accomplished ballroom dancer.

23:20

