



VILLAGE OF CARE

ANNUAL REPORT 2002

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Our Vision

*Excellence in the
provision of
services to seniors*

Our Mission

*To create a community
environment for seniors
which fosters confidence,
self worth and well-being*

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Chairman's Report

In my report last year, I highlighted a number of significant initiatives and changes at Swan, many of which are now being realised.

One of the more exciting and satisfying initiatives that has finally been achieved is the establishment of a longer-range strategic plan for Swan. This achievement is the result of considerable effort and commitment by our Board and Management Team. The fact that both the Board and our Senior Staff have been able to work closely together in a collaborative and inclusive manner on the development gives me great sense of satisfaction. Our new strategic plan reflects a considerable thought and research as well as providing a solid foundation to further investigate our model of care and service delivery. This is particularly important when considering the redevelopment of our facilities and services to meet not only the needs of our current residents but also the needs and expectations of our future residents. Our Strategic Plan sets a number of targets and initiatives for the period 2002-2007, for which a great deal of work has already commenced. From the Strategic Plan, an annual Operational Plan has been developed so as to identify those initiatives that can be achieved or commenced within that period.

Our Board and staff clearly recognise the need for very careful planning to respond to the changing notion and definition of "retirement". This changing perception is particularly important for the Board when considering the design and construction of our new independent living facilities as well as our care facilities. The first stage of the redevelopment of our Bentley site will more closely reflect and embrace greater opportunities to enhance lifestyle choices both in terms of accommodation styles and associated technologies. Our model of service delivery and care is also being reviewed, a process through which every opportunity is being explored to ensure our residents are appropriately supported to assist in achieving optimum quality of life whether that be in our independent living units or our care centres.

We are hopeful that the first stage of our exciting redevelopment will commence construction in earnest in April 2003 with further stages currently in the planning phase.

During this year, Swan Village of Care achieved ongoing accreditation with support visits to both care centres having taken place in May 2002. The achievement of our staff in embracing continuous quality improvement in their everyday duties has been outstanding. We are truly blessed to have such a dedicated team delivering high quality care and support to our seniors in our care centres. We look forward to our full accreditation assessment scheduled for mid 2003 with the view to again achieving recognition of the tremendous efforts of our staff and the very real difference they make to the quality of every day living of our residents.

Our Board has continued to work hard at ensuring greater opportunities for resident involvement in decision making in relation to the management of our organisation. This work has resulted in the Board re-establishing a Village Residents Advisory Council to enable a productive two-way flow of

information between the Board and our entire resident community. In addition to this, the Board this year changed our constitution to enable two resident representatives to join the Board to participate in the decision making process. This is a very important milestone in the history of Swan Village of Care and one which the Board believes will bring many benefits to our organization.

A new initiative this year has been the establishment of Swan Village of Care Foundation. The prime objective of the Foundation is to create opportunities for Swan Village of Care to attract and retain continuing interest and financial support from interested friends, companies, corporations and other supporters for the continued development of facilities and services to the residents we serve. A major role of the Foundation is also to be the fundraising arm of Swan Village of Care to ensure separation from the day-to-day activities of the Board. Already the Foundation has been able to support a number of new initiatives within the village including provision of machinery and equipment for our resident's woodworking workshop and the purchase of an electric vehicle for resident transport on-site, with additional financial support from our Opportunity Shop. The Foundation will continue to explore further fundraising opportunities with the assistance of an active membership of Trustees, including external membership.



The Board was also very pleased with the outcomes achieved this year with the refurbishment of our low care centre's dining room and the development of a theatre lounge. The Residents of Waminda have really appreciated

this initiative with a varied program of movies or shows being screened every day.

This year certainly has been one of significant consolidation with many new initiatives aimed at developing contemporary systems and policy documentation to ensure that a solid foundation exists for what promises to be a very challenging future.

I would like to express my sincere appreciation to my fellow Board members, the Chief Executive Officer, Senior Management Team, all the staff, volunteers, residents and families for their support and commitment throughout the year. Their dedication to our residents and the future of Swan has been outstanding.

The achievements and changes attained this year augurs well for a very productive and exciting 2003.

Stan Nowak
Chairman - Board of Directors

Board of Directors 2002



Stan Nowak Chairman
Albert Johnson Deputy Chairman
Hans Bollig Treasurer
Kasia Betka
Lou D'Alessandro
Colin Murphy
Betty Bishop
Lillian Jackson

Senior Staff 2002

William Marshall
 Chief Executive Officer

Robyn Coyle
 Director of Care

Stan Roman
 Director of Business
 and Support Services

Jean Rothschild
 Manager Low Care

Margaret Robinson
 Manager Accommodation and Lifestyle

John Rees
 Manager Human Resources

Frank Hollingsworth
 Chief Finance Officer

Shelley Curtis
 Coordinator Safe Practice
 and Environment

Jeanette Barankewitsch
 Manager High Care

Garry Harvey
 Manager Hotel Services





Chief Executive Officer's Report

As outlined in my report for 2001/02, the Board and Senior Staff had identified and commenced a process of review and repositioning of the organisation to ensure sustainability and growth in a rapidly changing environment.

I am delighted to say that we have collectively achieved substantial progress this year, which has been both challenging and satisfying.

Many of our residents have experienced enormous change in their lives as part of this process, particularly as we continue with the relocation program in readiness for the redevelopment of the village. This has been a very unsettling time for many residents, with staff having to respond in many cases above and beyond the call of duty. I would like to express my sincere appreciation and gratitude to those staff for your attention to detail and commitment to residents directly affected by these changes. Every effort continues to be made to minimise the impact of the relocation changes and this commitment will not change for the future.

It is always worthwhile reflecting on the achievements for this year given the very significant number accomplished to date, including:-

- As mentioned by our Chairman, the development and implementation of our 5 Year Strategic Plan and subsequent annual Operational Plans
- The finalisation and recruitment to all senior positions
- Development of a new education, complementary therapies and social centre
- The introduction of a research-based model to evaluate the changes taking place at Swan to measure outcomes and opportunities for improvement
- The development of a comprehensive Risk Management Plan
- The finalisation of the new information technology network
- The implementation of a new telephone system which will also be available to all residents
- The development and implementation of our website at www.swanvillage.com.au
- The consolidation of policies, procedures to a centralised position
- Review and introduction of more contemporary accounting procedures and processes
- Introduction of a new gardening services
- Introduction of new resident support services including an after-hours emergency nursing service
- New Administration structure to meet residents needs

These are but a few of the many achievements and give an indication of the incredible efforts of our team.

The development of our new website is a major milestone for our organisation. This now facilitates a significant increase in the range of information we can make available to a very discerning public when exploring lifestyle choices either for themselves or for loved ones. This can be a very stressful time for families and we will continue to explore ways of providing comprehensive information and helpful hints in such a way to help reduce anxieties.

As outlined above, one of the more significant changes this financial year has been the review and introduction of more contemporary accounting procedures and accounting practices. This has included the implementation and finalisation of a comprehensive asset register for the first time in our history. The end result of these changes has impacted significantly on the financial outcomes for this financial year. Whilst this outcome is obviously at significant variance from last financial year, we now have established a proper base to account for our position according to recognised contemporary standards, including a substantial increase in provision for depreciation. As a result of the introduction of a proper asset register, our asset value has also increased substantially. With the substantial increase of our asset value and adoption of industry standard depreciation provisions, a more realistic outcome at least has been achieved. We now look forward to working within our new framework to continue to improve the overall performance of our organisation and the services provided to residents.



(L to R) Don Openshaw, Glenice Barlow, Bryan Beer, Reggie Lynn, Ern Cole, David Harvey

Although our new Village Residents Advisory Council has only recently been appointed from within their village, their contribution has already proven to be invaluable. Their commitment to achieving a productive two-way flow of

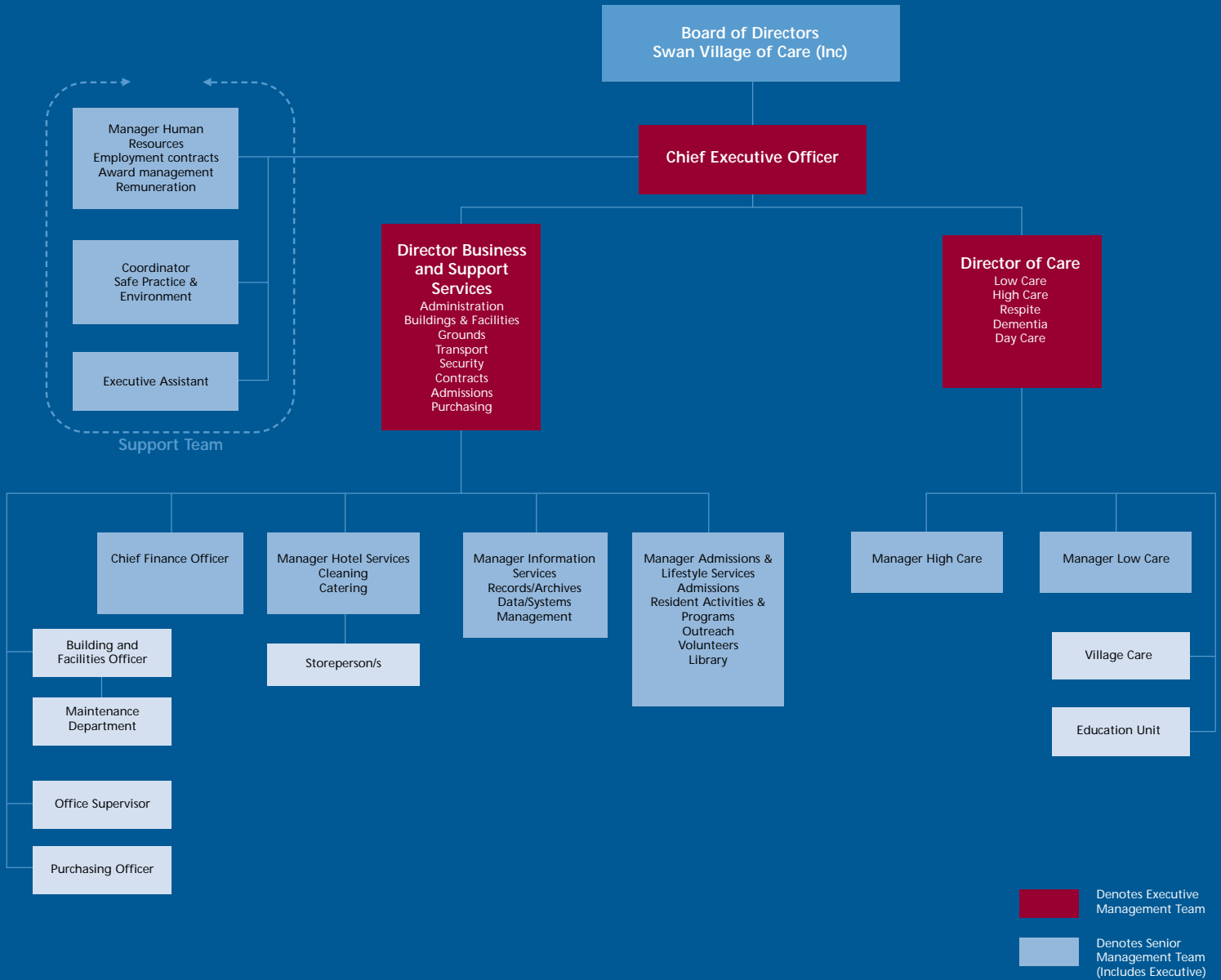
communication within the village has been impressive and provides a great opportunity for continuing improvement in how the village is managed. I would like to join with the Board in expressing sincere appreciation to our Council and I look forward to continuing to work closely with the council as our village representatives in an open and constructive manner.

I, along with our Board, continue to be impressed by the commitment of our caring staff in delivering care and support to all our residents in our care centres. Coupled with the support we receive from a dedicated team of volunteers and families both from our village and general public, we can't help but feel very appreciative that our care residents are in good hands.

I look forward to continuing to work with such a dedicated and committed team for the benefit of all our residents.

W.F. Marshall
Chief Executive Officer

Organisational Structure



Independent Audit Report

TO THE MEMBERS OF SWAN VILLAGE OF CARE INC.

SCOPE

We have audited the Balance Sheet, Profit and Loss Statement and Notes to the Financial Statements, being a special purpose financial report, of Swan Village of Care Inc. for the year ended 30 June 2002.

The Board of Directors are responsible for the financial statements and have determined that the accounting policies used and described in Note 1 to the financial statements is consistent with the financial reporting requirements of the Associations Incorporation Act 1987 (WA) and are appropriate to meet the needs of the members. We have conducted an independent audit of the financial statements in order to express an opinion to the members of Swan Village of Care Inc. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial statements have been prepared for distribution to members for the purpose of fulfilling the Board of Directors financial reporting requirements under the Associations Incorporation Act 1987 (WA). We disclaim any assumption 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.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial statements are 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 Swan Village of Care Inc. financial position, and performance as represented by the results of its operations. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In our opinion, the financial statements present fairly, in accordance with the accounting policies described in Note 1 to the financial report, the financial position of Swan Village of Care Inc. as at 30 June 2002 and the results of its operations.



Chartered Accountants

A handwritten signature in blue ink, appearing to read 'BG McVeigh', written over a light blue background.

BG McVeigh

Partner

Dated: 6 December 2002
Perth, Western Australia

Income and Expenditure Statement

For the financial year ended 30 June 2002

	TOTAL 2001/02 \$	TOTAL 2000/01 \$	NOTES TO ACCOUNTS
INCOME			
Commonwealth subsidies	7,814,910	7,585,310	
Residents fees	2,667,010	2,547,590	
Service Charges	1,771,030	1,689,610	
Interest received	188,230	311,580	
Retention amounts	496,020	800,430	14
Contribution to Rents	113,280	90,000	
Other Income	607,673	630,297	
Total operating income	13,658,153	13,654,817	
EXPENDITURE			
Staffing costs (including superannuation)	8,726,070	8,309,150	
Depreciation	1,691,340	704,100	13
Electricity & Gas	270,420	303,660	
Food supplies	489,460	454,690	
Rates, taxes, insurance - general	214,440	198,340	
Insurance - Workers' Compensation	363,540	457,430	
Maintenance - buildings, equipment, grounds	878,410	672,610	
Laundry costs	569,610	550,890	
Other expenses	1,915,302	1,813,760	
Total operating expenditure	15,118,592	13,464,630	
NET SURPLUS/LOSS	-1,460,439	190,187	

Balance Sheet

As at 30 June 2002

	TOTAL 2001/02 \$	TOTAL 2000/01 \$	NOTES TO ACCOUNTS
ASSETS			
Current			
Cash assets	15,840	646,690	
Term deposits	3,362,050	3,113,490	4
Receivables	125,160	12,260	
Inventories	70,050	62,760	
Other	116,092	481,947	
Total current assets	3,689,192	4,317,147	
Non-current			
Buildings, property, plant and equipment	59,275,250	40,170,350	13
Other	1,510,187	1,741,925	
Total non-current assets	60,785,437	41,912,275	
TOTAL ASSETS	64,474,629	46,229,422	
LIABILITIES			
Current			
Payables	420,680	179,680	
Loans and refundable deposits, RFU - balances	2,521,470	2,671,560	6
Provisions	1,159,420	1,161,540	
Other	481,292	253,438	
Total current liabilities	4,582,862	4,266,218	
Non-current			
Loans and refundable deposits, RFU - balances	6,471,080	6,513,530	6
Provisions	2,236,080	2,253,100	
Other	56,694	152,716	
Total non-current liabilities	8,763,854	8,919,346	
TOTAL LIABILITIES	13,346,716	13,185,564	
NET ASSETS	51,127,913	33,043,858	
CAPITAL AND RESERVES			
Reserves	710,970	606,480	
Accumulated funds	50,416,943	32,437,378	
Total capital and reserves	51,127,913	33,043,858	

Notes to and forming part of the Accounts

For the year ended 30 June 2002

1. Statement of Significant Accounting Policies.

These financial statements constitute a special purpose financial report prepared for use by the Board. The Board has determined that the organisation is not a reporting entity.

The statements have been prepared in accordance with the requirements of Australian Accounting Standards and other mandatory professional reporting requirements with the exception of the following:

- AAS 1: Statement of Financial Performance
- AAS 3: Accounting for Income Tax (Tax-effect Accounting)
- AAS 6: Accounting Policies
- AAS 10: Recoverable amounts of non-current assets
- AAS 15: Revenue
- AAS 16: Financial Reporting by Segments
- AAS 17: Accounting for Leases
- AAS 18: Accounting for Goodwill
- AAS 22: Related Party Disclosure
- AAS 24: Consolidated Accounts
- AAS 28: Statement of Cash Flows
- AAS 33: Presentation & Disclosure of Financial Instruments
- AAS 36: Statement of Financial Position
- AAS 37: Financial Report Presentation & Disclosures
- AAS 38: Revaluation of non-current assets
- All UIG Consensus Views

The statements are also prepared on an accrual basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these financial statements.

(a). Employee benefits - provision is made in respect of the liability for annual leave & long service at balance date. Long service leave is accrued in respect of all employees, with more than six years service with the Organisation, payable upon fifteen years service.

(b) Comparative amounts - where necessary the result for the previous year has been reclassified to facilitate comparison.

2. The Foundation Fund is shown in the Balance Sheet in this format because it represents capital operations independent of normal revenue and expenditure.
3. As in previous years, a transfer from the Capital Account of the surplus/deficit from the 2001/02 financial year will be effected at the commencement of the following financial year.
4. Investments more than cover Provisions and Reserves.

-
5. The Capital Revaluation Account will be presented each year in the Accumulated Funds Account. During 2001/02 the following valuations occurred.
- Certificate (A14)- FAL shares were determined by Market Value.
 - Certificate (A15)- Enclosures/Screens - 2002.
 - Certificate (A16)- Art Collection - 2002.
 - Certificate (A17)- Depreciation Provisions - Buildings.
 - Certificate (A18)- Revaluation of Assets as per 2001/02 Asset Register.
6. Under the Resident Funded Agreements a contingent liability of some magnitude exists. An amount of \$8,141,909 for 2000/2001 and \$8,088,843 for 2001/2002 has been included under Current and Non Current Liabilities. The monetary values in this note exclude loans and refundable deposits.
7. The J.P. Stratton Centre deficit is carried by the Organisation due to the lack of any Government grant being available.
8. Units constructed in 1961-1964 could well be classified "obsolete" due to design and construction after a life of 25 years. In this regard a reserve account exists with a current balance of \$600,000.
9. The Board as a matter of policy, ensures on a yearly basis, that adequate insurance cover exists for Assets, including the Art Collection.
10. Developmental Capital Expenditure made possible by Foundation Fund includes, expenditure on the High Care & Low Care Centres, Art Gallery, Ranyard and Leisure Centres, Bowling Rink Projects & the Administration/Social Centre.
11. Certain donations were received during the year where the donors indicated that the funds should be used for the benefit of the J.P Stratton Centre, Ranyard Centre, Cultural Centre, Waminda Low Care Centre and Library. The donations have been identified & will be applied to the benefit of the respective entity when an appropriate occasion arises.
12. Due to the re-organisation of personnel and voluntary retirement, a redundancy payment of \$76,824 was debited to the Reserve Account - Wage Adjustments.
13. The introduction of the asset register (2001/02) saw provisions for Buildings/Plant, Office Equipment/Furnishings and Vehicles adjusted. The asset holdings were also re-assessed, combined with an increase in depreciation expense, using contemporary depreciation rates. The rates used were 2.5% for buildings, 15% for plant, office equipment/furnishings, 22.5% for vehicles and 50% for information technology equipment.
14. Both years included an amount for In-going Retentions derived from the new agreements.
15. The Ingoings Receivable chart number was used to bring to account on an accrual basis, funds that were owed to the Organisation. When funds were received the entries were reversed. Once all transactions under the old Agreements have been completed i.e. when all monies have been received, the account balance will be zero.
16. The Organisation is due to undergo a major redevelopment, including the High and Low Care Centres. The duration of the project will be approximately 15 years and is expected to commence in March 2003.
17. As a hedge against technological changes, the Organisation has entered into a rental agreement contract over an initial period of three years for the new information technology and telephony initiatives.
18. In November 2001 the Art Collection was re-valued by an independent Valuer to reflect current insurance values.
19. The High Care Capital Grant was written off in the current year as no economic value can be gained from a Government initiative, which is now defunct.



VILLAGE OF CARE

ANNUAL REPORT 2002

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Email info@swanvillage.com.au

Website www.swanvillage.com.au



A Bequest for Swan Village of Care

Of course, families come first when we make our estate plans, but there may be room in these plans for the causes that matter most to us.

If maintaining and improving the quality of care and service delivery to our residents is such a cause, then giving through your will to Swan Village of Care Foundation can be a very special way to create a legacy that transcends time.

**For more information, please contact our
Foundation Executive Officer on (08) 6250 0010.**