



# Catholic Homes

INCORPORATED

## ANNUAL REPORT 2009 - 2010



*'Catholic Homes provides quality aged care services that promote and enhance the spiritual, physical and emotional journey of each person'*



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## OUR MISSION

Catholic Homes Incorporated ('Catholic Homes') provides quality aged care services that promote and enhance the spiritual, physical and emotional journey of each person.

### **Our Principals are:**

Spirituality – The spirit of Christ is present in the expression of care and compassion.

Residents and our community – Our first priority is for our residents and our community to feel dignified, respected and independent.

Staff – Skilled and supported staff who are empowered to deliver continuous improvement.

Sustainability – Strong skilled leadership that delivers well informed, viable and accountable business decisions.

## PHILOSOPHY

Catholic Homes considers its staff to be our most valuable asset. Ensuring skilled and supported staff is one of Catholic Homes' core principles. The main aim of Catholic Homes is to have happy staff who enjoy their work and provide consistently excellent service.

Catholic Homes' clients are entitled to the highest standards of care, a comfortable, secure and home-like environment and an optimal quality of life.

Each resident living in Catholic Homes is a unique individual deserving of respect, dignity, privacy and the opportunity to participate in decision-making.

The Catholic Homes philosophy is based on a concept of continuous improvement in the quality of all processes, products and services, the role of the customer and the involvement of employees at all levels in the pursuit of such improvement.

Incorporating our vision, mission, principles and philosophy of the organisation throughout everything that is done and ensuring that we are the aged care provider of choice.



# REPORT FROM THE CHAIRMAN

It is my great pleasure to present the 2009-2010 Annual Report for Catholic Homes Incorporated.

We are now in our 45th year of operation and have come a long way in that time. We currently have around 300 staff caring for approximately 345 residents in care, as well as the residents who occupy the 145 Independent Living Units we manage, many of which are occupied by married couples. We operate seven facilities across the metropolitan area and in Bunbury.

Our operational revenue is \$20.8 million and our property assets are valued at \$78 million. We have \$15.8 million in the bank and no debt other than to our residents.

Despite the slowdown of the real estate market following the GFC our retirement villages have operated at virtually full occupancy and demand for accommodation remains high.

We have seen a good turn-around in operating costs and financial results are much improved on last year. Our bed occupancy level averages 98%.

CHI has finished 2009-2010 in a good financial position and we expect to begin a strategic planning process early in the New Year to redefine our objectives in both the shorter and longer term and to make any necessary adjustments to not only maintain but also increase our viability as a major Catholic Aged Care provider.

Our auditors Grant Thornton have issued an unqualified audit report for the 2009/2010 Financial Year and had no significant issues to raise in their Report to the Board.

During the year our former Chairman Mr Des O'Sullivan resigned from the Board and I would like to acknowledge his valuable contribution to Catholic Homes Inc.

Our current Board Members are: Mrs Rosemary Hill – Chairman, Mr Peter Messer - Secretary, Mr Kevin Edwards, Rev Paul Gee, Ms Margaret Haydon and Mr John Martin.

This year we undertook an Australia-wide search for a new Chief Executive. This attracted many high-calibre applicants. We were delighted to appoint Sonya Smart, who had previously spent some time on secondment to CHI.

Sonya took up the post on 31st May 2010 and in the short six months since then she has used her wealth of experience in the Aged Care industry to support and mentor her staff, provide strategic direction and create a cohesive team environment which in turn is reflected in the care of residents.

All CHI residential facilities have been inspected at various times by the Department of Health and Aging and continue to be fully accredited. We maintain and benefit from a high reputation in the community and to ensure this continues we have recently begun redecorating all the Residential facilities so that our residents' environment remains as fresh and bright, and welcoming as possible.

CHI staff both long standing and new are exemplary in their support of and loyalty to the organisation and our residents. They are what sets us apart, and the Board are deeply appreciative of this.

It is a privilege to serve on the Catholic Homes Inc Board and help aging West Australians live with comfort, dignity and respect.

I'd like to thank Sonya Smart, her staff, the Board and our residents for their support and look forward to another successful year ahead.

Rosemary Hill

Board Chairman





# REPORT FROM THE CHIEF EXECUTIVE

During 2009 – 2010 the ongoing focus on the delivery of excellent service and care within the vision and values of Catholic Homes has been outstanding due to the level of commitment by everyone who works for the organisation. It is very gratifying to be part of an establishment which understands and works continually to uphold and build on its history of caring.

It's been an exciting time since my commencement in late May 2010, leading and directing an organisation that enriches the lives of residents, supports families and creates a work environment in which staff are appreciated, respected and feel valued. Reviewing the past 6 months I believe that having clearly defined organisational values has provided a sound base to work within and implement change and improvements.

We are pleased to have recently recruited people who are experts in their relative fields within aged care to ensure that CHI has the personnel, resources and knowledge to navigate a clear course over the next few years as we move forward.

Catholic Homes Inc has met ongoing review from the Accreditation and Standards agency with each of our services having been reviewed by the

agency twice during 2009- 2010. As well as these regulatory visits each facility has had their funding reviewed through an external auditing process and we have had very good outcomes from this stringent review of our funding for resident care.

Within our Property Services Division we have commenced an internal auditing process of our ILV's in order to assist us to develop a clear understanding of the maintenance needs of our retirement villages.

This year we commenced an upgrade of our information technology systems to provide faster access to information using industry preferred software.

It is always important to take the time to review the year and with time being so precious we often skip ahead and forget to celebrate the successes. This Annual Report provides the opportunity not only for review but to the sincerely thank all the staff, residents, families, suppliers and contractors who work with us to ensure that Catholic Homes Incorporated delivers the highest level of service possible.

I look forward to providing a positive review for 2010-2011 at the end of next year.

Sonya

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## CATHOLIC HOMES INC. BOARD OF MANAGEMENT

### Chairman

Rosemary Hill

### Board Secretary

Peter Messer

### Members

Kevin Edwards

Paul Gee

Margaret Haydon

John Martin

## CATHOLIC HOMES INC. FINANCE AND AUDIT COMMITTEE

### Chairman

Peter Messer

### Members

Rosemary Hill

Kevin Edwards

Sonya Smart

Gautam Gupta



# FINANCIAL STATEMENTS-

## INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
<b>REVENUE</b>		
Revenues	19,846,165	18,068,562
Other Income	1,024,046	635,605
	<u>20,870,211</u>	<u>18,704,167</u>
<b>EXPENSES</b>		
Employee Expenses	12,307,757	12,422,225
Food Services	2,425,343	2,557,260
Domestic Services	536,658	489,438
Care and Support	336,512	357,770
Property Services	1,974,274	1,897,629
Administration	1,243,940	1,189,832
Borrowing Costs	2,615	19,376
Depreciation and Amortisation	618,970	752,795
Cost of Revaluation of Assets	15,000	2,302,212
	<u>19,461,069</u>	<u>21,988,537</u>
PROFIT/(LOSS) BEFORE INCOME TAX	1,409,142	(3,284,370)
Income Tax Expense	-	-
<b>PROFIT /(LOSS) FROM OPERATIONS</b>	<u><b>1,409,142</b></u>	<u><b>(3,284,370)</b></u>

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
<b>PROFIT /(LOSS) FROM OPERATIONS</b>	<b>1,409,142</b>	<b>(3,284,370)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Net gain/(Loss) on revaluation of Land and Buildings	(1,475,000)	3,155,000
<b>TOTAL COMPREHENSIVE INCOME/ (LOSS)</b>	<u><b>(65,858)</b></u>	<u><b>(129,370)</b></u>



# FINANCIAL STATEMENTS-

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	2010	2009
	\$	\$
Current Assets	16,661,971	10,343,905
Non-Current Assets	77,836,370	78,477,450
<b>TOTAL ASSETS</b>	<b>94,498,341</b>	<b>88,821,355</b>
Current Liabilities	54,522,576	48,940,427
Non-Current Liabilities	1,340,229	1,179,534
<b>TOTAL LIABILITIES</b>	<b>55,862,805</b>	<b>50,119,961</b>
<b>NET ASSETS</b>	<b>38,635,536</b>	<b>38,701,394</b>
Asset Revaluation Reserve	19,306,500	20,781,500
Accumulated Surplus	19,329,036	17,919,894
<b>TOTAL EQUITY</b>	<b>38,635,536</b>	<b>38,701,394</b>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
Receipts from Subsidies and Resident Fees & Charges	17,768,304	16,487,993
Other Income	930,713	691,451
Payments to Suppliers and Employees	(20,256,478)	(20,168,145)
Finance Costs Paid	(2,615)	(19,376)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>(1,560,076)</b>	<b>(3,008,077)</b>
Acquisition of Fixed Assets	(637,694)	(703,165)
Proceeds from Sale of Fixed Assets	9,818	127,755
<b>NET CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>(627,876)</b>	<b>(575,410)</b>
Net Accommodation Bonds Received	3,123,272	3,625,389
Net Loans Received (Paid) from Residents	5,498,291	1,597,811
<b>NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>	<b>8,621,563</b>	<b>5,223,200</b>
<b>Net Increase In Cash Held</b>	<b>6,433,611</b>	<b>1,639,713</b>
Cash At The Beginning Of The Financial Year	9,332,565	7,692,852
<b>Cash At The End Of The Financial Year</b>	<b>15,766,176</b>	<b>9,332,565</b>



# FINANCIAL STATEMENTS-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

### Basis of Preparation

The summarised financial statements comprising the Income Statement, Statement of comprehensive Income and the Statement of Financial Position have been derived from the full financial report of Catholic Homes Incorporated.

A full description of the accounting policies adopted by Catholic Homes Incorporated is provided in the financial report for the year ended 30 June 2010.

### Statement by Board Members

Going Concern:

Notwithstanding the shortfall in working capital, the Board considers that at the date of this statement there are reasonable grounds to believe that Catholic Homes Incorporated will be able to pay its debts as and when they fall due. The shortfall arises due to the requirement to classify resident loans and accommodation bonds as current liabilities as the Association does not have an unconditional right to defer settlements for a period greater than twelve months. History shows however that, on average, a resident in a retirement village will stay between six and nine years and three years for aged care residents. The Association expects to repay approximately \$9,457,232 of resident loans and accommodation bonds in the next twelve months, which will largely be funded by contributions from incoming residents.

The Board Declares that the attached financial statements have been derived from the full financial report for the year ended 30 June 2010 of Catholic Homes Incorporated.



Rosemary Hill  
CHAIRMAN



Peter Messer  
BOARD MEMBER



# AUDITOR'S REPORT



Grant Thornton Audit Pty Ltd  
ABN 94 269 609 023

10 Kings Park Road  
West Perth WA 6005  
PO Box 570

## **Independent Auditor's Report to the Members of Catholic Homes Incorporated**

We have audited the accompanying summarised financial report of Catholic Homes Incorporated, which comprises the summary of consolidated balance sheet as at 30 June 2010, the income statement, statement of comprehensive income and summary of statement of cash flows for the year then ended, and related notes, which were derived from the financial reports of Catholic Homes Incorporated for the year ended 30 June 2010. We expressed an unmodified auditor's opinion on that financial report in our auditor's report dated 10 November 2010.

### **Responsibility of the for the financial report**

The committee of the association is responsible for the preparation and fair presentation of the summarised financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations).

### **Auditor's responsibility**

Our responsibility is to express an opinion on the summarised financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

### **Auditor's Opinion**

In our opinion, the information reported in the summarised financial report is consistent, in all material respects, with the financial report from which it was derived. For a better understanding of the scope of our audit, this auditor's report should be read in conjunction with our audit report on the financial report.

A handwritten signature in cursive script that reads "Grant Thornton".

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

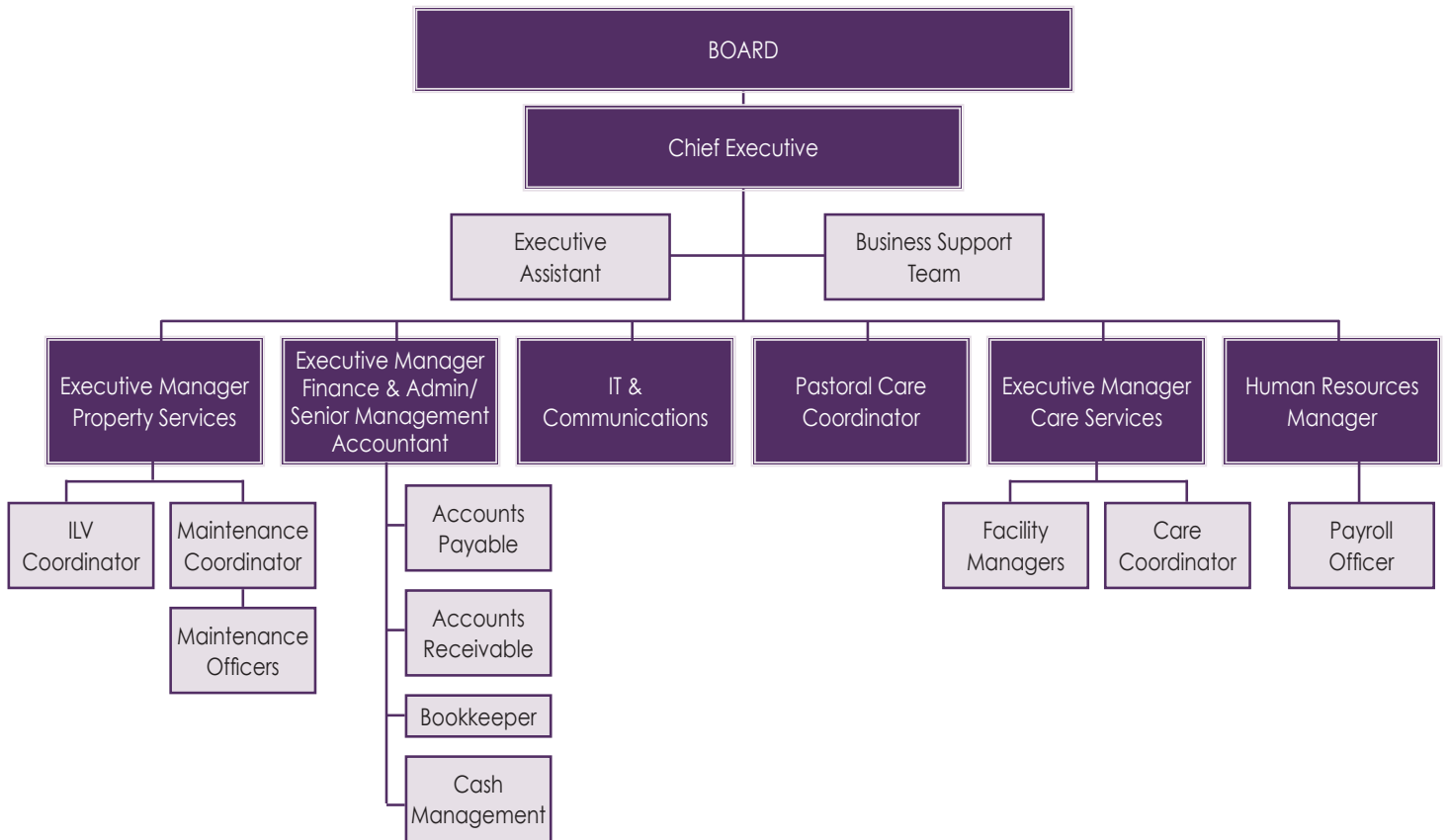
A handwritten signature in cursive script that reads "J W Vibert".

J W Vibert  
Director – Audit & Assurance  
Perth, 10 January 2011



Catholic Homes  
INCORPORATED

# ORGANISATION CHART





ST. VINCENT'S

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## RESIDENTIAL CARE ENQUIRIES

Archbishop Goody Hostel  
29 Goderich Street  
East Perth WA 6004  
Tel: (08) 9325 1063  
Fax: (08) 9325 4439  
Email: agh@catholichomes.com

Castledare Village  
108 Fern Rd  
Wilson WA 6107  
Tel: (08) 9356 4100  
Fax: (08) 9451 2298  
Email: castledare@catholichomes.com

Marist Lodge  
12 LaPage Street  
Belmont WA 6104  
Tel: (08) 9277 9599  
Fax: (08) 9277 9556  
Email: marist@catholichomes.com

Ocean Star Aged Care  
207 Ocean Drive  
Bunbury WA 6230  
Tel: (08) 9721 7577  
Fax: (08) 9721 7590  
Email: oceanstar@catholichomes.com

Servite Villa  
184 Edinboro Street  
Joondanna WA 6060  
Tel: (08) 9444 7605  
Fax: (08) 9443 8841  
Email: servite@catholichomes.com

St Vincent's Aged Care  
224 Swan Street  
Guildford WA 6055  
Tel: (08) 9279 5055  
Fax: (08) 9378 1414  
Email: stvincents@catholichomes.com

Trinity Village  
7 Beddi Road  
Duncraig WA 6023  
Tel: (08) 9246 2050  
Fax: (08) 9246 9873  
Email: trinity@catholichomes.com

## INDEPENDENT LIVING RETIREMENT VILLAGES

For information regarding our independent living retirement villages or to register your interest please contact:

Catholic Homes ILV Management  
Castledare Place  
Wilson WA 6107  
Tel: (08) 9356 4282  
Fax: (08) 9356 4299  
Email: catholichomes@catholichomes.com



## Catholic Homes Incorporated

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www.catholichomes.com