

RETIREEES WA (INC)

FINANCIAL REPORT

30 JUNE 2011

Retirees WA (Inc)
A.B.N. 13 989 588 483

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RETIREES WA (INC)

STATEMENT BY MEMBERS OF THE BOARD OF RETIREES WA

The Board submit the financial report of Retirees WA (Inc) for the financial year ended 30 June 2011

Board members

The board members at the date of this report were:

Nita Sadler (President)	Edith O'Doherty (Vice President)
John Thompson (Deputy Vice President)	Norm Carter
Brian Mathlin	Ronald Piercy
David Sadler	Leo van Vugt

Principal Activities

The principal activities of the Organisation during the financial year were:

- to provide aged care and accommodation for seniors
- to provide fellowship and social facilities for its members
- to administer the funeral fund activities

Significant changes

No significant change in the nature of these activities occurred during the year

Board Opinion

In the opinion of the Retirees WA Board, the financial report as set out on pages 3 to 16

1 Presents a true and fair view of the financial position as at 30 June 2011 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

2. At the date of signing, there were reasonable grounds to believe that Retirees WA (Inc) will be able to pay its debts as and when they become due.

Signed in accordance with a resolution of the Board.

Nita Sadler
President

Date: 21 September 2011

Margaret Thomas
Chief Executive Officer
Chief Financial Officer

Date: 21 September 2011

**RETIREES WA (INC)
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2010**

		2011 \$	2010 \$
	Note		
Revenue from ordinary activities	2	5,590,403	4,940,276
Employee benefits expense		(2,334,577)	(2,148,574)
Depreciation and amortisation expense	3	(353,106)	(366,000)
Aged care residents occupancy costs		(1,080,769)	(831,510)
Property expense		(23,398)	(19,562)
Insurance expense		(86,227)	(71,526)
Administration expense		(707,818)	(936,122)
Advertising and promotion		(66,960)	(84,794)
Other expenses from ordinary activities	3	(165,652)	(215,911)
Profit/(loss) from ordinary activities before income tax		771,896	266,277
Income tax expense relating to ordinary activities	1c	0	0
Net profit/(loss) from ordinary activities after income tax	3	771,896	266,277
Total changes in equity of the Association		771,896	266,277

**RETIREES WA (INC)
BALANCE SHEET
AS AT 30 JUNE 2011**

		2011 \$	2010 \$
	Note		
CURRENT ASSETS			
Cash assets	4	4,178,816	3,546,506
Receivables	5	(2,887)	441,772
Other	6	167,740	80,000
TOTAL CURRENT ASSETS		<u>4,343,669</u>	<u>4,068,278</u>
NON-CURRENT ASSETS			
Other financial assets	7	9,460,000	9,460,000
Property, plant and equipment	8	19,868,862	20,219,511
TOTAL NON-CURRENT ASSETS		<u>29,328,862</u>	<u>29,679,511</u>
TOTAL ASSETS		<u>33,672,531</u>	<u>33,747,789</u>
CURRENT LIABILITIES			
Payables	9	193,279	148,771
Provisions	10	169,566	201,887
Other	11	7,838,875	8,147,053
TOTAL CURRENT LIABILITIES		<u>8,201,720</u>	<u>8,497,711</u>
NON-CURRENT LIABILITIES			
Payables	9	6,779,613	7,279,362
TOTAL NON-CURRENT LIABILITIES		<u>6,779,613</u>	<u>7,279,362</u>
TOTAL LIABILITIES		<u>14,981,333</u>	<u>15,777,073</u>
NET ASSETS		<u>18,691,198</u>	<u>17,970,716</u>
EQUITY			
Retained Equity	13	18,691,198	17,970,716
TOTAL EQUITY		<u>18,691,198</u>	<u>17,970,716</u>

RETIREES WA (INC)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus on Unit Sales	666,885	550,381
Administration Fees	440,065	608,197
Receipts from members	106,592	114,336
Receipts from operating grants	2,168,677	1,884,965
Receipts from residents' fees	1,153,512	983,093
Rents	60,837	61,261
Interest received	412,287	309,940
Sundry receipts	28,900	35,513
Accommodation bond retention	126,056	141,917
Funeral fund contributions received	1,270,147	738,484
Funeral fund payments made	(1,552,005)	(820,390)
All Payments to suppliers and employees	(4,118,767)	(4,912,590)
Deferred Management Fees	426,592	286,673
Net cash provided by/(used in) operating activities	1,189,778	(18,220)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from investments	0	0
Proceeds from Disposal/Sale of property, plant and equipment	0	694,541
Purchase of property plant and equipment	(109,491)	(262,281)
Purchase of investments	0	(1,625,369)
Net cash (used in) investing activities	(109,491)	(1,193,109)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	0	0
Borrowing (repayment) re Joint Venture	0	0
Aged Care Resident Ingoings	0	1,442,056
Bank borrowings (repayments)	(300,000)	(200,000)
Interest Payments on Bank Loan	(147,977)	(176,432)
Net cash provided by/(used in) in financing activities	(447,977)	1,065,624
Net increase / (decrease) in cash held	632,310	(145,705)
Cash at the beginning of the financial year	3,546,506	3,692,211
Cash at the end of the financial year	4,178,816	3,546,506

RETIRES WA (INC)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2011

Note 1 - Statement of Significant Accounting Policies

This financial report is a general purpose financial report that has been prepared in accordance with International Financial Reporting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act 1997.

The financial report covers Retirees WA (Inc) as an individual entity. Retirees WA (Inc) is an association incorporated in Western Australia under the Associations Incorporation Act 1987.

The financial report of Retirees WA (inc) complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety

The financial report has been prepared on an accruals basis and is based on historical costs modified (where applicable) by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted by the Association in the preparation of its financial statements. The accounting policies have been consistently applied, unless otherwise stated.

a) Assets With Time Diminishing Values

Each class of asset being Building, Fixtures & Fittings is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by the Association to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received for the assets' employment and subsequent disposal.

Depreciation

The depreciable amount of all fixed assets are depreciated on either a straight line basis or the diminishing value basis over their useful lives to the Association commencing from the time the asset is held ready for use.

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

<u>Class of Fixed Assets</u>	<u>Depreciation Rate</u>
Plant and Equipment	5-40%
Motor Vehicles	15-22.5%
Buildings	10-60 years

RETIRES WA (INC)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2011

Note 1 - Statement of Significant Accounting Policies (cont'd)

b) Residents Ingoing Licences

Retirees WA (Inc) has constructed retirement units for which residents pay an ingoing sum which entitles them to permanency of occupancy. Upon termination of the residency a deferred management fee is calculated based on the number of years of residency, the management rate stipulated in the resident's contract and the resale value of the property. The resale value of the unit less the deferred management fee is repaid to the resident. The deferred management fee is retained by Retirees WA (inc) and treated as income in the year received.

c) Income Tax

The Australian Taxation Office has advised the Retirees WA (Inc) that it is an Association established for "community service purposes" and accordingly under Section 23(g) of the Income Tax Act is exempt from income tax.

d) Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries and annual leave which will be settled after one year, have been measured at their nominal amount as at balance date. Employee benefits payable later than one year have not been measured using the present value of the estimated future cash outflows to be made for those benefits at a future point in time.

Superannuation contributions are made by the Association to the employees nominated superannuation fund and are charged as an expense when incurred.

e) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit where the maturity of deposits is twelve months or less from the date of acquisition.

f) Revenue

Membership revenue is recognised when received.

Resident fees are recognised when charged to the resident.

Government operating grants are recognised on receipt.

Interest revenue is recognised when received

Interest revenue on term deposits, loans and investments are recognised on a proportional basis taking into account the interest rates applicable to the financial assets as at balance date.

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

g) Investments

Non-current investments are measured on the cost basis. The carrying amount of non-current investments is reviewed annually by the Association to ensure that they are not in excess of their recoverable amount.

RETIRES WA (INC)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2011

Note 1 - Statement of Significant Accounting Policies (cont'd)

h) Funeral Fund

The Funeral Fund was established to enable members to prepay funeral costs at a discount. The Association has negotiated discounted rates with the Western Australian Funeral Fund Directors Association and Independent Funeral Directors for all the costs associated with their funeral.

The Association invests all funds in investments as approved by the Board. Currently these investments are either cash deposits with Banks, redeemable preference shares secured by property and property loan secured by 1st Registered mortgage over the property.

The Association invests all the funds received from members and an allocation of the interest revenue after costs of keeping the members records and all financial, accounting and administrative records is made to the members' accounts.

i) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financial activities which are recoverable from, or payable to the ATO are classified as operating cash flows.

j) Receivables

Debtors are carried at amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts.

k) Accounts Payable

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Association.

l) Comparatives

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

RETIRES WA (INC)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2011

Note 2 Revenue

	2011	2010
Operating activities	\$	\$
-Members subscriptions	106,592	114,336
-Management fees	440,065	608,197
-Residency fees	3,448,245	2,973,975
-Lease income	60,837	61,261
-Deferred Management Fees	426,592	286,673
- Profit from sale of property, plant and equipment	666,885	550,381
	<hr/>	<hr/>
	5,149,216	4,594,823
Non-operating activities - interest received	412,287	309,940
Grants	28,900	35,513
Total Revenue	<hr/> <hr/>	<hr/> <hr/>
	5,590,403	4,940,276

Note 3 Items Included in Profit/(Loss) Statement

	2011	2010
Profit/(loss) from ordinary activities has been determined after:	\$	\$
Expenses		
Depreciation of property, plant and equipment	353,106	366,000
Remuneration of auditor		
- audit services	19,488	17,212
Income		
Net (gain) on disposal of property, plant and equipment	666,885	0
Interest Received	412,287	309,940

Note 4 - Cash

	2011	2010
	\$	\$
Cash Operating Accounts		
General Fund	33,839	29,948
Funeral Fund	207,890	128,121
Amelioration Fund	8,539	13,760
Property Account	4,128	7,148
Aged Care Accounts	31,473	(47,032)
Refit Accounts	424,592	114,578
	<hr/>	<hr/>
	710,461	246,523
Aged Care Accommodation Bonds		
ANZ Bank	316,355	147,983
	<hr/>	<hr/>
	316,355	147,983

RETIREES WA (INC)
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDING 30 JUNE 2011

Note 4 - Term Deposits

Funeral Fund

	2011	2010
	\$	\$
ANZ Asprit	2,000,000	2,000,000
ANZ Echo	500,000	500,000
Macquarie	500,000	500,000
CBA - Perls	50,000	50,000
	<u>3,050,000</u>	<u>3,050,000</u>

Amelioration Fund

ANZ Bank - term deposit	100,000	100,000
Sub-total - Cash at Banks	<u>4,176,816</u>	<u>3,544,506</u>

Cash on Hand	2,000	2,000
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Total Cash Assets	<u><u>4,178,816</u></u>	<u><u>3,546,506</u></u>
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Note 5 - Receivables

Current

	2011	2010
	\$	\$
Other Debtors	(456)	399,255
Net GST Receivable	(2,431)	42,517
	<u>(2,887)</u>	<u>441,772</u>

Note 6 - Other

Current

Prepayments	167,740	80,000
	<u>167,740</u>	<u>80,000</u>

Note 7 - Other Financial Assets

Non-Current

1st Registered Mortgage	1,800,000	1,800,000
Investments in unlisted corporations at cost	5,800,000	5,800,000
Bed Licences At Committee Valuation	1,860,000	1,860,000
	<u>9,460,000</u>	<u>9,460,000</u>

(a) Cost value of Redeemable Preference Shares in Over 55 Lifestyle Villages Pty Ltd

RETIREES WA (INC)
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDING 30 JUNE 2011

Note 8 - Property, Buildings, Plant & Equipment

	2011	2010
Land, Buildings & Equipment Net of Depreciation:-		
Joseph Banks	8,395,993	8,518,160
Chessell	1,418,504	1,454,876
Fern	1,894,413	1,925,039
Skewes	859,812	881,858
Canna	5,809,965	5,626,717
Murlali	590,099	657,233
Trade in Houses	545,000	585,000
Geraldton	186,693	185,354
	<u>19,700,479</u>	<u>19,834,237</u>
<u>Plant & Equipment</u>		
Motor vehicles - at cost	103,994	103,994
Less Accumulated depreciation	<u>(92,602)</u>	<u>(87,821)</u>
	11,392	16,173
Plant & Equipment - Head Office @ Cost	297,906	398,633
Less Accumulated depreciation	<u>(260,915)</u>	<u>(249,532)</u>
	36,991	149,101
Property, plant and equipment	<u>19,748,862</u>	<u>19,999,511</u>

RETIREES WA (INC)
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDING 30 JUNE 2011

Note 8 - Property, Plant and Equipment (cont'd)

Land

Crown Land at Committees Valuation

Denmark	20,000	20,000
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Freehold Land & Buildings

Coolgardie	100,000	100,000
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Wagin	100,000	100,000
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	120,000	220,000
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Total Land and Buildings & Equipment

	19,868,862	20,219,511
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Movement in carrying amounts for each class of property, plant & equipment between the beginning and end of the current financial year.

	Property	Motor Vehicles	Aged Care Facilities	Office Equipment	Total
	\$	\$	\$	\$	
Carrying amount at the beginning of financial year	11,536,077	16,173	8,518,160	149,101	20,219,511
Add Additions			109,491		109,491
Less disposals	(16,620)			(90,414)	(107,034)
Less depreciation expense	(94,971)	(4,781)	(231,658)	(21,696)	(353,106)
Carrying amount at the end of the financial year	11,424,486	11,392	8,395,993	36,991	19,868,862

Retirement Units

The association has retirement homes in Duncraig, Bunbury, Wilson and Canning Vale for which the residents paid an ingoing based on the building costs of the homes which entitles them to permanency of occupancy.

The retirement homes at Duncraig and Bunbury are built on Crown Grant Land which was granted to Retirees WA (Inc) at no cost for the sole purpose of building aged persons accommodation. The Association's interest in this land is taken up in the accounts a value of \$1.00 per crown grant.

RETIREES WA (INC)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2011

Note 9 - Payables

	2011 \$	2010 \$
Current		
Trade Creditors	199,369	60,537
Hire Purchase liabilities	0	49,508
Accruals	16,364	14,876
Payroll Liabilities	29,578	23,850
Funeral Fund Liabilities	7,838,876	8,147,053
Property Maintenance Liability	(52,032)	
	8,032,155	8,295,824
Non-Current		
Accommodation bonds	4,779,613	4,979,362
ANZ Construction loan	2,000,000	2,300,000
	6,779,613	7,279,362

Note 10 - Provisions

Current

Provision for employee entitlements	169,566	201,887
	169,566	201,887

Number of FTE employees at year end

62 55

Note 11 - Funeral Fund Liability

Funeral Fund liability	7,838,876	8,147,053
Balance at beginning of year	8,147,053	8,332,764
Add Collections	1,270,147	665,585
Add Bonus Payments	154,388	72,899
	9,571,588	9,071,248
Less Administration fees	105,157	300,000
	9,466,431	8,771,248
Less Funeral payments	1,552,005	583,000
Less Refunds	75,550	41,195
	7,838,876	8,147,053
Balance at end of year	7,838,876	8,147,053

The funeral fund contract was renegotiated with the Funeral Directors Association during the year and the increased cost of \$96 per contract, inclusive of GST, became operative from March 2011. The Australian Tax Office has issued a private ruling that the funeral fund contracts entered into prior to 1 December 1999 will not attract GST if the funeral was conducted prior to 1 July 2005.

Retirees WA (Inc) resolved that a contribution be transferred from the funeral fund surplus based on \$20 per fully paid up member, with a pro rata contribution, for partly paid up members. This contribution partly offsetting the increase in the funeral fund contract.

RETIRES WA (INC)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2011

Note 12 - Financial instruments

The Association's exposure to interest rate risk is the risk that a financial instrument will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and liabilities, is as follows:-

The Association invests in fixed term deposits for periods up to 12 months thus the net fair value of the financial assets approximate the carrying values disclosed in the accounts as follows:-

Interest Rate Risk

2010	Weighted average effective interest rate	Assets with a Floating Interest Rate	Assets with Interest rate maturing over 12 months	Other	Total
Financial assets					
Cash	0-1%	2,000			2,000
Short term deposits	1% - 3%	1,026,816			1,026,816
Other financial assets	3% - 6%		3,150,000	167,740	3,317,740
Other financial asset	7% - 8%			7,600,000	7,600,000
Receivables				(2,887)	(2,887)
Total financial assets		1,028,816	3,150,000	7,764,853	11,943,669
Financial liabilities					
Payables				193,279	193,279
Other liability - Accommodation				4,779,613	4,779,613
Bonds				2,000,000	2,000,000
Other liability -Bank Loans				0	0
Hire Purchase				7,808,876	7,808,876
Funeral Fund				14,781,768	14,781,768

RETIREES WA (INC)
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDING 30 JUNE 2011

Note 12 - Financial instruments (cont'd)

	Weighted average effective interest rate	Assets with a Floating Interest Rate	Assets with a Fixed Interest rate maturing 3-6 mths	Other	Total
2010					
Financial assets					
Cash	0-1%	2,000			2,000
Short term deposits	1% - 3%	494,506			494,506
Other financial assets	3% - 9%		3,050,000	80,000	3,130,000
Other financial assets	7% - 8%			7,600,000	7,600,000
Receivables				441,772	441,772
Total financial assets		496,506	3,050,000	8,121,772	11,668,278
Financial liabilities					
Payables				62,836	62,836
Other liability - Accommodation				4,979,362	4,979,362
Bonds and Resident Ingoing				2,300,000	2,300,000
Other liability - Bank Loans				49,508	49,508
Hire Purchase				8,147,053	8,147,053
Funeral fund				15,538,759	15,538,759

The Association does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Association.

Credit Risk

The credit risk on financial assets recognised by the Association is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the statement of financial position and notes accompanying the financial statements.

The aggregate net fair values and carrying amounts of the Association's financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

RETIREES WA (INC)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2011

Note 13 - Accumulated Funds

	2011	2010
		\$
Funeral Fund		
Balance at 1 July 2010	2,417,849	2,603,560
Add Surplus/(Deficit) for the year	107,575	(185,711)
Balance 30 June 2011	<u>2,525,424</u>	<u>2,417,849</u>
Amelioration Fund		
Balance at 1st July 2010	113,760	122,926
Add Surplus for the year	2,492	(9,166)
Balance 30 June 2011	<u>116,252</u>	<u>113,760</u>
General Operations		
Balance at 1st July 2010	15,376,107	15,657,212
Add Surplus/(Deficit) for the year		
General	(60,938)	(31,861)
Aged Care	19,905	(214,417)
Property	702,862	512,555
Equity Adjustments	11,586	(547,382)
Balance 30 June 2011	<u>16,049,522</u>	<u>15,376,107</u>
Total Accumulated Funds 30 June 2011	<u>18,691,198</u>	<u>17,907,716</u>

RETIREES WA (INC)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2011

Note 14 - Segment Note

Retirees WA Inc was incorporated in Western Australia, providing housing and care for Aged persons within the community in residential low care and independent living units
Reporting Residential Aged Care Operations as a "reportable segment" as required by the Department of Health and Ageing.

The remainder of the Association's operations are not required to be reported as a reportable segment.

Funeral fund activities are separately reported at note 11.

	Residential Aged Care	
	2011	2010
	\$	\$
REVENUE		
Government Subsidies	2,168,677	1,848,965
Resident Charges	1,153,512	983,093
Bond Retentions	126,056	141,917
Interest Income	12,621	5,047
Other		34,336
<i>Total Revenue</i>	3,460,866	3,013,358
EXPENSES		
Care Employee Expenses	2,111,895	1,465,920
Other Employee Expenses	157,247	432,297
Management Fees	190,810	198,732
Interest Expenses	1,761	3,678
Depreciation & Amortisation	231,658	249,704
Other	747,590	877,444
<i>Total Expenses</i>	3,440,961	3,227,775
Profit/(Loss) from ordinary activities before income tax expense	19,905	(214,417)
Segment Assets		
Segment Current Assets	347,828	216,951
Segment Non-Current Assets	8,295,782	8,518,160
Segment Total Assets	8,643,610	8,735,111
Segment Liabilities		
Segment Current Liabilities	184,812	261,963
Segment Non-Current Liabilities	4,779,613	4,979,362
Segment Total Liabilities	4,964,425	5,241,325
Segment Net Assets:	3,679,185	3,493,786
Component of Segment Liability included above:		
Accommodation Bond Liability	4,779,613	4,979,362
Total Segment Interest-bearing borrowings	0	0

RETIREES WA (INC)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2011

Note 15 - Cash Flow Information

	2011	2010
	\$	\$
Cash Availability as at 30 June 2011		
Cash on Hand	2,000	2,000
Cash at Bank	1,026,816	394,506
Deposits on Call	0	0
Term Deposits	3,150,000	3,150,000
	<u>4,178,816</u>	<u>3,546,506</u>

Note 16 - Contingent Liabilities

	2011	2010
There are no contingent liabilities to the Association	0	0

Note 17 - Commitments

(a) Operating Lease Commitments

Being for radio advertising and promotion

Payable:

- not later than 1 year	50,000	50,000
- later than 1 year but not later than 5 years	0	0
	<u>50,000</u>	<u>50,000</u>

The Association has a commitment with Curtin Radio in which the Association benefits from radio advertising and promotion. The commitment to 31 December 2011 amounts to \$54,600 payable in monthly instalments of \$4,550. This will be re-negotiated in October 2011.

(b) Operating Lease Commitment

Being for rent of office

Payable:

- not later than 1 year	102,000
- later than 1 year but not later than 5 years	408,000
- later than 5 years	0
	<u>510,000</u>

The office at 915 Albany Highway, East Victoria Park is leased for 5 years with a further 5 year option at \$8,473 per month including month including outgoings.

RETIRES WA (INC)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2011

Note 18 - Subsequent Events

The Association is constructing 78 independent living units in blocks of approximately 18, adjacent to the Joseph Banks aged care facility at Canning Vale, which are being sold on a lease for life basis. Construction of the first 32 is completed, the next 18 units are at various stages and the headworks and earthworks for a substantial portion of the future units has been completed. Plans have been approved for the construction of 45 units at Bluff Point in Geraldton and we have been granted the road reserve adjoining this land to be incorporated into the grant.

Note 19 - Association Details

The principal place of business of the association is as follows:

Retirees WA (Inc)

Suite 2
915 Albany Highway
EAST VICTORIA PARK WA 6101