

Annual Report
05/06



From the 12th July 2006, Anglican Homes Incorporated changed its trading name to Amana Living.
Amana Living is born, Anglican Homes endures...





Message

from The Most Reverend Roger Herft,
Archbishop

As the diocese begins to celebrate its sesquicentenary we have been spending much time celebrating and giving thanks for the mission of the church and its agencies. The tag line for our diocesan celebrations which began this year is "From the past we see the future". Amana Living is a part of our community that has already gone through the process of considering its past so that it might know its future mission.

I look forward with anticipation to seeing how God will use this agency of the church in coming years. There has been a sense of renewal and focus that pervades the staff and residents of the Amana Living Community that augers well for the agency's future. May it indeed be a place that stands for truth, integrity, nurturing and be life-giving.

*They are to do good, to be rich in good works,
generous, and ready to share, thus storing up for
themselves the treasure of a good foundation for the
future, so that they may take hold of the life that
really is life (1 Timothy 6:18-19).*

I commend Anglican Homes/Amana Living's Annual Report for 2005/2006 to you.

truth
integrity
nurturing
living

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About Amana Living

formerly Anglican Homes

A new and refreshed public face has been created for Anglican Homes.

'Amana Living', as we are now called, was officially launched in July 2006, although planning for this major rebrand was at the forefront of activity during the 05/06 financial year.

'Amana' means truth, integrity and nurturing and embodies the very essence of the organisation.

'Amana Living' will be accompanied by the carefully chosen tagline "part of the Anglican community".

Changes in society and public policy lay at the heart of the foundation of Anglican Homes in the early sixties when Archbishop Robert Moline accepted a proposal for "supporting suitable housing for the aged and infirm". More than forty years on, similar influences have encouraged Anglican Homes to adopt a fresh, new image.

In mid 2004, the Board of Anglican Homes took stock of the organisation's achievements and considered its state of readiness to face the challenges of the future.

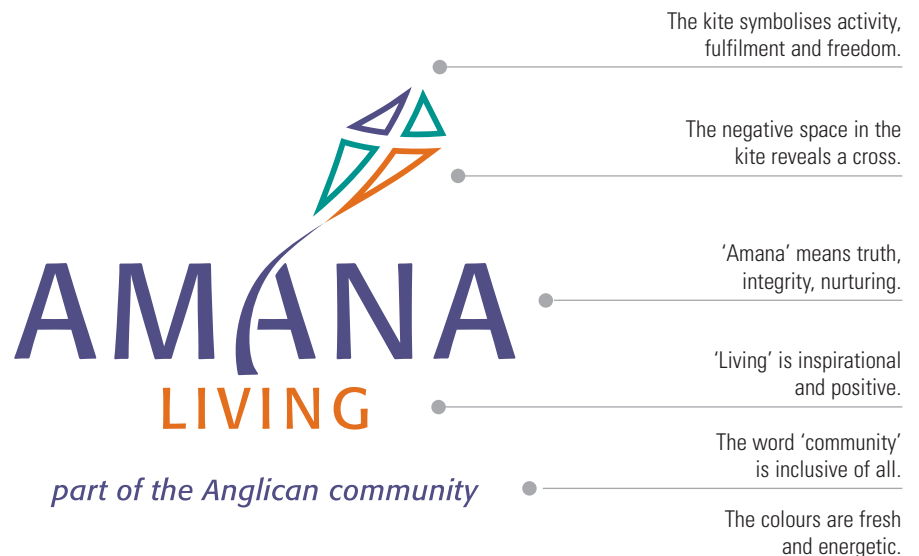
It found much to admire in Anglican Homes' reputation for excellent Christian care and in its healthy balance sheet. Yet it also highlighted areas that needed an overhaul such as many of its care facilities, much of its housing stock and its operating performance.

The Board declared it was time for a change! This heralded a new beginning for Anglican Homes. A new CEO was appointed and was briefed to assist the Board to develop a strategic vision. A revamp of services and facilities was deemed necessary to meet the changing needs of the growing numbers of older West Australians, and in 2005/06 Anglican Homes commissioned market research into the Anglican Homes brand and image. The findings were clear evidence that the brand no longer reflected the current organisation or its vision for the future.

After much soul-searching and debate the decision was made to adopt a new trading name. More than 2,500 potential names were identified. A preference was given to biblical names and it was determined that an Anglican tagline would always accompany the name in order to reflect the organisation's heritage and connections to the Diocese. 'Amana Living' was selected as the new trading name.

While so much has changed since 1962, our passion to provide care and support for older people is still the same.

Our adherence to Christian values and the Anglican tradition remain unchanged, and strong and decisive corporate governance will ensure Amana Living delivers services that are socially and financially sound and sustainable. At the same time, our new strategic direction will ensure the organisation's continued success and growth.



Corporate Identity

Who we are

Amana Living (formerly Anglican Homes) was founded in 1962 and is the principal aged care agency of the Anglican Diocese of Perth. It is a Public Benevolent Institution, incorporated under the Associations Incorporation Act (WA) 1987 and receives no financial support from the Diocese.

What we do

Amana Living offers comprehensive care choices and provides facilities and services for more than 2100 residents and clients across 30 sites in Western Australia.

Amana Living seeks to enrich older people's lives to encompass a spirit of joy and possibility with which to live the next phase of life.

What we aim for

Amana Living has adopted a clear strategic vision, accompanied by a comprehensive plan which will be implemented in an environment of sound business practice.

Its mission is to "excel in providing Christian care to people who are elderly or disabled in WA."

To do this, Amana Living:

- Is committed to revitalising its facilities to ensure they remain relevant to future market demand, with an increased focus on integrating aged, health and lifestyle services.
- Is focused on balancing community and residential care services and enriching the life experience of the older people it touches.
- Is supported in this by its adherence to Christian values and principles.
- Strives for high standards of excellence in corporate governance and sustainable business practice
- Is implementing a participative approach to leadership and management within the organisation.

Highlights

Year at a glance 2005/06

- ✓ Preparation for strategic rebrand, from Anglican Homes to Amana Living
- ✓ Adopted a \$300 million 10 year Strategic Facilities Plan
- ✓ Granted funding for Dementia Specific Respite Cottage in Osborne Park
- ✓ Commenced 'WeCare' electronic documentation system across all residential sites
- ✓ Implemented voice and data upgrade project across all sites
- ✓ Received \$70,000 from the Anglican Community Fund to advance the planning for the Personal Enrichment Program (PEP) pilot project which is aimed at delivering enhanced experiences for residents and clients
- ✓ Completed a large scale building program at three nursing homes - St George's Home, Bayswater, Lady McCusker Home, Duncraig and Peter Arney Home, Salter Point
- ✓ Celebrated the third Anniversary of Edward Collick Home in Kalgoorlie and the conclusion to a major fundraising campaign
- ✓ Gained 45 extra Community Aged Care packages
- ✓ Increased Home and Community Care (HACC) funding by 25% to more than 24,000 hours
- ✓ Delivered more than 96,000 hours of day care services
- ✓ Obtained 20 high care dementia specific bed licences
- ✓ Achieved maximum rating of three years accreditation from the Aged Care Standards and Accreditation Agency for all nursing homes and hostels that underwent accreditation
- ✓ Achieved record number of 600 volunteers
- ✓ Successfully negotiated Enterprise Bargaining Agreements
- ✓ 73% revenue growth
- ✓ Launched a new trading name - McCusker Learning and Development - for the Sir James McCusker Training Foundation
- ✓ Welcomed His Excellency Dr Ken Michael AC, Governor of WA as Patron of the Anglican Homes Foundation





Chairman's Report

by Peter Dawes - Chairman, Amana Living

While committed to the organisation's Christian mission and vision, and recognising its not-for-profit nature, the Amana Living Board always seeks to apply standards of corporate governance that are higher than the standard expected of the organisation.

Our goal is to exceed government standards and to be the benchmark for aged care in Western Australia.

The financial year 2005/2006, has seen many changes in the organisation, with a new dynamic vision for the future. Although Amana Living came into existence on 12 July 2006 as the new trading name for Anglican Homes, the important initiatives within organisational operations and management were undertaken throughout the year. Such a process is not without difficulty, and on behalf of the Board, I would like to express our enormously high regard for the forbearance and positive involvement of the staff in this transition process.

We are now keenly anticipating the benefits which lie ahead. Already we have seen positive results with an improved bottom line and adoption of a \$300M Strategic Facilities Plan. As well, we have implemented new technology to support the work of our staff, and have entered into important partnerships with Government, tertiary institutions, and other aged care and Anglican agencies.

This financial year has also seen planning advance for Amana Living's Personal Enrichment Program (PEP), as the principal vehicle into the future for delivering enhanced experiences for residents and clients in our care. This is care that will set us apart from others in the field and demonstrably fulfils the mission of the Anglican Church. Income independent of government funding will be vital to give us the flexibility to establish services in areas of need, (such as PEP), which do not currently attract government funding.

On a separate note, the fundraising arm of Amana Living (the Anglican Homes Foundation), is delighted to have as their new patron, Dr Ken Michael AC, the 30th Governor of Western Australia, following the departure of Lieutenant-General John Sanderson last year. Dr Michael was awarded a Member of the Order of Australia in 1996 and elevated to a Companion in the Order of Australia in the 2006 Australia Day Honours, and we look forward to working with him.

Toward the end of this very busy financial year, there were two retirements from the Board. Firstly, Eric Ross-Adjie, who has been the legal expert on the Board since 2003, is standing down due to business commitments. Also, after nearly 20 years service to Amana Living, Brenda Mazzucchelli is retiring from the Board as she feels it is time to give other people opportunities to

contribute to the organisation's future. Brenda was a tireless ambassador for our organisation and I place on record our appreciation for her service to us. Special recognition must also go to our former Director of Corporate Services, Toni Stampalija, who left the organisation after nearly 10 years of exemplary service.

Both of these Board Members, and Toni, have contributed enormously and will be sadly missed. As such, we would like to take this opportunity to thank them for their time commitment and their dedication to the organisation.

The past year has been one of review, consolidation and growth. We finished the financial year in 2006 in a very sound position, and I thank the Chief Executive Officer, Ray Glickman and his team, for their conscientious commitment to Amana Living. I thank all of our supporters, donors and business partners for their encouragement and loyalty, and our staff and volunteers for their dedication, hard work and commitment which has contributed to a very successful 12 months.

We face an extremely demanding yet exciting year, confident that we will continue to pursue our mission with great effect.





Report on Operations

by Ray Glickman - CEO, Amana Living

Overview

The 2005/2006 financial year has been one of the most exciting in the organisation's history.

Following on from the approval last year of a new strategic direction for Anglican Homes, this year has seen the organisation clarify its future direction, respond to the challenges ahead in the aged care industry, and adopt a fresh new image and trading name – 'Amana Living'. It does so with the ongoing commitment to excellent care standards and an adherence to Christian values and principles.

Our rebranding process is one part of a comprehensive strategic and organisational review which has been undertaken over the last couple of years. Every aspect of the organisation has been reviewed and is being refreshed, and the most important outcome of our strategic process has been our new vision and strategic plan "Towards 2015".

Amana Living has had a busy and rewarding year, and I am pleased to report we achieved our major goals and objectives within our budget target.

Traditionally, mission-driven organisations have focused on meeting their social or community goals in isolation from ensuring a financial return. Consequently, as government funding reduces and compliance regulations increase, some have gone out of business or can no longer deliver all the services they once could.

Successful stewardship of our financial, human and physical resources is vital to our ongoing stability and growth. Critical to this is ensuring our facilities continue to meet contemporary needs. This year we committed a total of \$8.7M on extensions and redevelopments at several of our centres and increased funding in the areas of information technology and staff training.

In addition, Amana Living's consolidated revenue for the financial year was \$51.9M and the value of our building assets was approximately \$215M.

The core of Amana Living's business is to deliver comprehensive care and services to more than 2100 people. Of these, up to 829 residents live in our nursing homes and hostels and all have access to support 24 hours a day, 7 days a week.



CEO of Amana Living Ray Glickman and carer Iris McGowan (second from left) catch up with residents of the Sundowner Centre, Cottesloe (from left) Jenny Hood, Dorothy McClintock and Margaret Mason. (photo courtesy of Western Suburbs Weekly)

Our business environment

Residential aged care is currently the ninth largest employer industry in Australia.

It is projected that people aged 65 years and over will represent a quarter of our population (6.8 million people) by 2051. In addition, approximately half of all older women, and over one third of older men will use residential aged care at some time during their lives, and many will access community services.

Because there are more people than ever before, living well into their 90s, the challenge for aged care providers is to have a complex and broad range of services and responses to all individuals who fit in the spectrum of aged care.

The Commonwealth Government has announced that 28,500 new aged care places will be provided in Australia over the next three years, in addition to introducing 'Ageing in Place' strategies. However, aged care policies on funding remain complex and the increased regulation and accreditation

requirements of aged care providers is significant.

However, the Government is currently trialing a new funding appraisal tool, which it has termed the new Aged Care Funding Instrument (ACFI), and four Amana Living sites took part in the trial.

In an effort to meet the enormous challenges ahead, Amana Living is building its capacity, not simply providing more buildings and services.

This includes a continued learning environment for staff; improved internal systems and processes; increased resources for the spiritual dimensions of our work; research and evaluation of our services and the creation of a culture where people share the purpose and values of our organisation.

The current labour market has seen a significant shrinking in the available workforce, and we recognise the skills shortage in our industry, so have invested heavily in staff training in order to develop a sustainable and responsible workforce into the future.

Our business development

Strategic Facilities Plan

The completion and adoption by the Board of the Strategic Plan "Towards 2015" was a major milestone for the organisation and has set us firmly on course.

Amana Living has building assets valued at approximately \$215M, comprising 41 facilities spread across 30 sites in Western Australia. The annual property spend is around \$2.5M (ie. 1.16 per cent of building asset value).

In 2005, a review of the property department recommended a separation of the property functions. The strategic property management function became an integral part of the newly created Strategy and Business Development Directorate, and property maintenance became part of the Corporate Services Directorate.

Based on the review's findings, the Executive made a decision to:

- Outsource the facilities management function and contractor arrangements
- Appoint Multiplex Facilities Management to oversee the maintenance requirements

In addition, a \$300M 'Strategic Facilities Plan' to guide the upgrade of Amana Living's properties and acquisition of new sites over the next decade was completed and adopted by the Board. Implementation of this plan will result in a substantial improvement in the standard of Amana Living's accommodation, particularly in the area of independent living, and will provide new services to meet the demands of our growing and ageing population.

Implementation of the ambitious 'Strategic Facilities Plan' will create many challenges. The continuation of our high standard of care and services will be the primary goal as we simultaneously upgrade our properties and bring new services on line. The current economic climate in Western Australia, which is resulting in a shortage of skilled builders and escalating building costs, will require careful forward planning and the development of strong partnerships.

During the financial year significant building activity saw the completion of a building program which included extensions to three nursing homes at St George's Home, Bayswater, Lady McCusker Home, Duncraig and Peter Arney Home, Salter Point.

As well, a \$4.8M 32 bed extension at Peter Arney Home is due for completion around October 2007. Site works are scheduled to begin in early 2007 at Moline Village, Karrinyup for the building of 11 new villas and Edward Collick nursing home in Kalgoorlie, will benefit from a \$100,000 conversion of its high care facility for dementia specific care.



Hon Kate Doust MP and Amana Living Chairman Peter Dawes celebrated the South Perth Council's decision to grant building approval for 32 new bed licenses for Peter Arney Home in Salter Point.



General Manager of McCusker Learning and Development Bruce MacAdam (left) at the relaunch of their new name with Carolyn and Malcolm McCusker and Chairman of Amana Living Peter Dawes (right).

Our future investment

Technology is playing a very important role in our strategic development work and in the improved service provision of the organisation into the future. As such, substantial investments have been made in new technology during the financial year:

- WeCare Electronic Documentation system
- Voice and Data Upgrade Project
- Wide Area Network Upgrade, which will allow flexibility to deliver greater levels of service to our customers and provide more efficient computer access for our staff.
- Technology Refresh Program - this initiative aims to ensure that computer equipment is functional and remains fit for the purpose.

'WeCare' will assist in providing quality care and a reduction in manual administrative overheads and will replace the paper-based documentation system that nurses

and carers use to record details of residents in their care. As a result, staff can access information faster and more efficiently, and as an organisation, we can free up more resources to deliver additional care.

In addition to this, a new telephone communication network using Nortel technology, will replace our existing piecemeal network with a single consolidated network infrastructure.

This new technology has enabled us to provide better communication tools for our staff in order to improve customer service.

Communicating with our stakeholders

Amana Living recognises that its corporate standing and continued mandate to operate an aged care organisation depends on maintaining the trust and support of its partners, community representatives and other decision-makers.



Amana Living residents kicked up their heels to a variety of entertainment at the 2005 Annual Residents' Party at the Burswood Convention Centre ballroom.



Getting into the party spirit – the 2005 Annual Resident's Party bought a smile to many a face.

We collaborate with many agencies, including public health services, government departments, tertiary institutions and others in the aged care industry. Our work with Anglican and aged care agencies provides opportunities for benchmarking, service planning, knowledge management and sharing ideas to deliver innovative programs that will provide holistic integrated care.

One such successful strategic relationship has been developed between Amana Living and the head office of the Diocese. It involves providing IT services to the church office, under the supervision of Amana Living's IT Manager, Peter Mildenhall.

In addition, a strategic planning process is taking place involving the Archbishop, the Bishops and the CEO's from each Anglican agency within the Province of WA. The

purpose of this group is to plan how they can work more closely together to attain goals and spread the reach of the church.

Success in terms of industrial relations activity was also achieved toward the end of the financial year. Following negotiation processes with the relevant unions, draft Enterprise Bargaining Agreements were put to a staff vote prior to the arrangements being presented for formal ratification. Both draft agreements were overwhelmingly endorsed by staff and they have now been implemented in accordance with legislative requirements.

Total Catering Solutions

Our wholly owned catering arm – Total Catering Solutions (TCS), has developed its infrastructure and capacity this financial year with an eye on future expansion.

In addition, TCS entered into a partnering arrangement with new food management system technology (CBORD), which will directly benefit its aged and health care clients.

In terms of the company's financial position, TCS contributed in excess of \$600,000 profit to Amana Living during the year. The business is now fully systematised and operates with a high degree of autonomy. The key focus for the immediate future is to concentrate on further sales of extended shelf-life products, and the re-positioning of its 'Easy Meals' business.

McCusker Learning and Development

McCusker Learning and Development is the new trading name for the Sir James McCusker Training Foundation, which is the training arm

of Amana Living. The business was re-launched early in 2006 by Malcolm McCusker QC, the son of its original founder.

Although the organisation underwent a re-brand to increase its appeal to training customers, it remains committed to Sir James McCusker's vision of providing comprehensive aged care training for carers and health care professionals.

During the year, 120 staff members attended the Staff Centralised Orientation Training (SCOT) and McCusker Learning and Development worked with more than 30 different external organisations to deliver a variety of training programs. As well, it partnered with the Commonwealth Government to provide training to staff and home carers in regional Dongara, Geraldton and Carnarvon, on how to manage challenging behaviour in people with dementia.

Anglican Homes Foundation

Strong relationships with the community and corporate organisations are an essential ingredient to our fundraising program. Our fundraising unit (the Anglican Homes Foundation) has this year contributed just under \$400,000, derived from donations, sponsorships and bequests.

The Foundation organised a number of fundraising and volunteer events including the annual residents' party which was this year attended by almost 800 residents, staff and guests at the Burswood Convention Centre ballroom.

The Foundation continues to benefit from the generosity of people leaving us funds in their wills, and The Board of Amana Living, its staff and residents would like to acknowledge and thank the families of these individuals, in addition to our other wonderful supporters.

In addition:

- 107 staff members of the Amana Living Staff Giving Plan contribute fortnightly through payroll deduction and at the end of this financial year they had contributed a record \$13,561, which will be used to purchase practical gifts for our Centres and the enjoyment of residents.
- Lotterywest contributed a grant of \$49,000 to support the purchase of a Toyota HiAce bus for use by residents at Hale Hostel in Coolbellup.
- The Foundation also provided funds to purchase 14 specialised food delivery trolleys, valued at over \$40,000 each.



*Hale Hostel residents celebrate the arrival of a new Toyota Hi-Ace bus which was purchased as a result of funding from Lotterywest and the Anglican Community Fund.
(photo courtesy of The Gazette)*



Our Organisation

Our services

Information and Service Centre

The Information and Service Centre is the doorway to Amana Living's services, and its purpose is to link people's needs with care. The centre handles general enquiries, processes referrals and screens clients for eligibility for services.

Amana Living provides a broad range of aged care services, encompassing hostel (low care), nursing home (high care), and day and respite care for nearly 1500 residents (including those with dementia), as well as numerous community services packages.

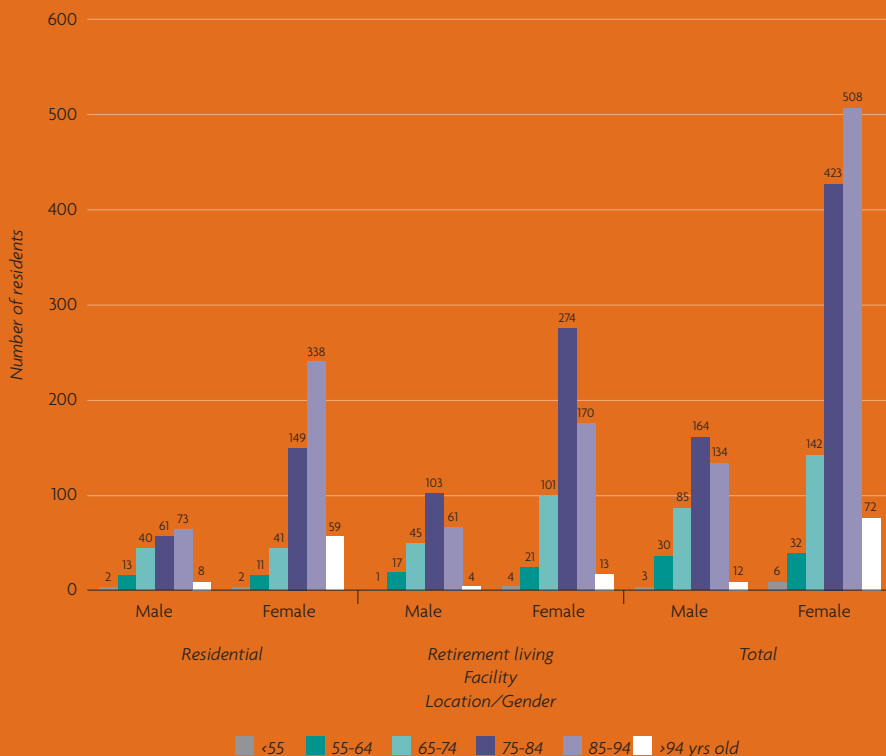
Residential

This financial year, our 16 individual centres again achieved positive outcomes for clients and enjoyed continued growth.

There were three accreditation visits, (in line with the Aged Care Standards and Accreditation Agency), and as at June 30 all centres were fully accredited and Government approved.

Across our aged care facilities we have the capacity to provide accommodation and holistic support for up to 829 residents. The graph below is a representation of the distribution of Amana Living residents. The average age of our hostel and nursing home residents is 86 for women and 80 for men.

Amana Living residential distribution



A "Stay on your Feet" grant was received by Parry House, Lesmurdie to fund a "Spring in Your Step" walking program. Shirley Smith (front) and fellow residents enjoy the new walking path. (photo courtesy Hills Gazette)



Kinross Care Centre resident Jean McGowan (second from right) and staff celebrate 10th Anniversary of the centre. (photo courtesy North Coastal Times).

In terms of occupancy, nursing home admissions were 105 from July 2005 to June 2006 and 134 for hostels for the same period. We experienced high demand for residential accommodation with approximately 450 prospective clients on the waiting list. As well, demand for respite care during the year remained high and an extra four respite beds were made available. Our dementia specific nursing homes experienced 100 per cent occupancy during the period January – June.

Last year we activated 28 ‘Extra Service’ high care places, and we currently have 23 places being utilised by clients.

Dementia

Today’s advancements in medical technology and diet, and our heightened focus on health and wellbeing, means that people are living longer. However, this is likely to result in more people developing dementia, which is estimated to affect about a quarter of West Australians over 85 years of age.

Amana Living has maintained its strong commitment to addressing gaps in dementia care. We are constantly

seeking to improve existing care practices for people with dementia, and are leading the way through programs like our ongoing dementia research partnership with Edith Cowan University (ECU).

Together with ECU and other partners, Amana Living provides funding to the Centre of Excellence for Alzheimer’s Disease Research and Care, which brings together leading researchers in different disciplines, including dementia and palliative care.

Dementia care training for all residential care staff has been introduced, and dementia care “mapping” is also occurring at all centres that have a dementia specific area – this is conducted by eminent dementia specialist Dr Lefroy.

Retirement Living

As a result of the adoption of Amana Living’s Strategic Facilities Plan, a new manager was appointed to head up the Retirement Living Team, to guide Retirement Living through a future period of transition.

During this financial year, approximately 40 new occupancy agreements were entered into and

quite significant waiting lists are in place for a number of the villages. However, some villages have had new admissions put on hold, (in line with the Strategic Facilities Plan), and therefore both admissions and overall occupancy are lower this year.

Residents’ committees continue to work hard throughout the year fundraising for numerous charities including the Cancer Council, tsunami and other disaster relief funds, and residents at all centres are able to access comprehensive activity and social programs. As well, Amana Living’s catering and community services afford people the opportunity to remain independent and active.

Community Services

Flexibility, choice, and partnerships in community care, are important commitments in Amana Living’s Community Services program. We maintain a strong partnership between management and our front-line care staff, and also continue a good relationship with clients, carers, local GPs and the Aged Care Assessment Teams (ACAT).

Research indicates that, as the baby boomer generation moves through the aged care system, they will be comfortable with buying the services they need. In recognition of this, Amana Living’s Community Services are being streamlined to support this projected future demand.

Community Services touched the lives of just under 600 men and women in Western Australia.

As well we:

- received new funding and increased our number of Community Aged Care Packages (CACPs) from 45 to 77 in the metropolitan area (we also have 15 servicing the Goldfields)

- increased our funding from Home and Community Care (HACC) by 25 per cent to 24,162 hours per year
- hours of care at Day Centres remained the same at 96,640 per year
- received positive feedback from quality support visits for Community Aged Care Packages (CACPs) in both the metropolitan area and also in Kalgoorlie.
- received funding from the National Respite for Carers program for a dementia-specific, short term respite cottage in Osborne Park. Currently, we are waiting on Council approval and refurbishment before opening this service.

Holistic pastoral care

Integral to our mission is the provision of holistic and flexible pastoral care. During the financial year, three full-time chaplains, with extensive support by lay staff, provided pastoral care to residents and staff.

As well as involvement in the organisation's Focus Teams (which were formed to reflect upon aspects of life within Amana Living), Chaplaincy is supporting the Executive and Board in developing a way of promoting the "Anglican essence" of the organisation.

Significant events during the year included a Staff Quiet Day led by Archbishop Roger Herft, and Chaplaincy's participation in the celebration of the third anniversary of Edward Collick Home in Kalgoorlie.

Personal Enrichment Program

During the year, work has commenced on one of our most important projects to date - our Personal Enrichment Program (PEP)

which is client-focused to ensure that people in our residential care enjoy an enriched life and not just an existence.

The philosophy of PEP is to focus on the individuals we touch, (even those with the highest form of dependence), to understand the person and to familiarise ourselves with their past and current interests and passions. By doing this, we can make it possible for them to continue to pursue old and new interests in some form.

Thanks to the Anglican Community Fund, a \$70,000 grant will enable a pilot program to begin in the latter part of 2006.

Our people

We recognise our employees are our most valuable asset. In line with the principles of best practice in both care and management, we actively support the professional development of our staff and foster a sense of partnership between staff, residents, clients and their families in the delivery of care and services.

The efficient management of Amana Living's business depends on each of our members of staff.

With 1190 staff and a current turnover of 14.96 per cent, (down from 18.4 per cent in 2004/05), recruitment continues to be a key activity for the Human Resources team, with 315 new staff employed during 2005/06.

A focus this year has been the development and implementation of key systems to support automated rostering, and also a human resource information system which includes a new payroll program.

Learning and Development

- Amana Living currently has 17 Carers, who were offered the opportunity to complete a

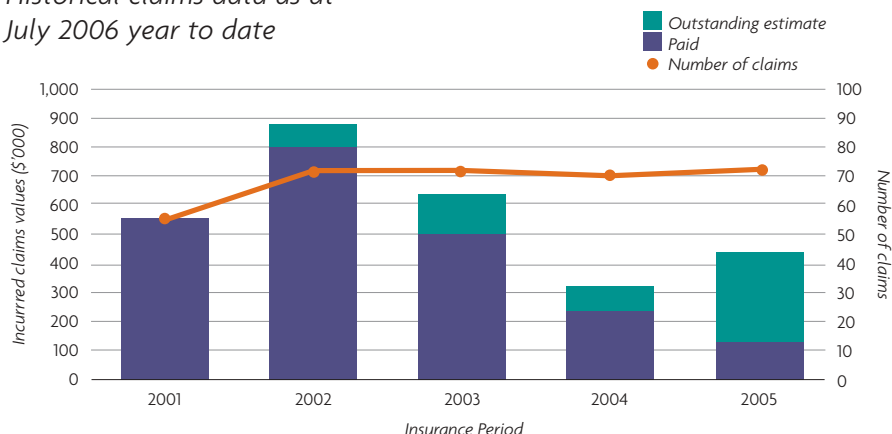
Diploma in Enrolled Nursing, about to commence their practical work experience components in hospitals around Perth. They are due to complete their diploma in June 2007.

- A total of 50 New Start Certificate III Traineeships will be offered over the next year.
- Certificates IV in Frontline Management, Training and Assessment and Aged Care programs will be provided to our staff during the coming financial year.
- HR continued to develop and implement a comprehensive and proactive Hazard and Risk Management process to provide a safe working environment for all staff.
- Manual Handling training has been expanded to include exercise and risk assessment techniques. The success of these programs is reflected in the continued downward trend in the duration and severity of Workers' Compensation claims experienced.



Azemera Tsegay arrived in Australia from Ethiopia nine years ago, and is halfway through a two-year training course to become an enrolled nurse. She is a carer at Moline House, in Karrinyup and joined more than 30 Amana Living staff members who are undertaking the course while still employees of the organisation.

Historical claims data as at July 2006 year to date



Employer of Choice

Given our planned expansion, staff recruitment and retention continues to be vitally important. Over the past 12 months, widespread consultation has led to planning to consolidate Amana Living as an Employer of Choice, and these activities will be progressively implemented over the coming year.

Being an Employer of Choice for us means:

- Providing a high level of service excellence to residents, clients and customers
- Having a culture that supports and holistically develops staff and encourages them to stay
- Ensuring employment relations are governed by principles centred on our Mission, Values and Philosophy of Care
- Ensuring staff work in a safe and healthy environment
- Offering a competitive remuneration
- Encouraging a culture of recognition and reward
- Striving to promote work/life balance strategies
- Being seen as an attractive employer to prospective staff

Our culture is the fabric holding us together and it is shaped by our ideals and values, history and memories, as well as rituals and celebrations. We aim to maintain a culture where our people share the purpose and values of our organisation, and every opportunity is taken to continually improve the quality of our service. We encourage teamwork and recognise the diversity and individuality of all staff members and value the impact that their diversity brings in terms of creativity and problem solving.

Every two years, Amana Living asks its staff for feedback via a Staff Satisfaction Survey. The information elicited from the survey forms the basis of strategies and actions we continually develop to ensure we are an Employer of Choice.

In the last year 46 staff members achieved significant service milestones, including 10, 15, 20, and 30 years of service.

Their achievements were honoured by our Chairman Peter Dawes at a celebratory dinner where we acknowledged their combined 530 years of service to Amana Living.

Volunteers

In the proud history of Amana Living, volunteers have always played an integral part in most activities at our Centres. This year we celebrated the enrolment of our 600th volunteer, which is an increase of 50 since the previous financial year.

The role of volunteers varies and is based upon matching individuals' talents, skills and interests with the needs of staff and clients. Their dedication is acknowledged each year at a function during National Volunteer Week. This year, at a Churches of Christ function, one of our volunteers, Mavis Brennan, who lives at Amana Living's Moline Village, was presented with the prestigious Bethanie Medallion for Voluntary Services to Aged Care by the then Minister for Ageing, Julie Bishop MP.

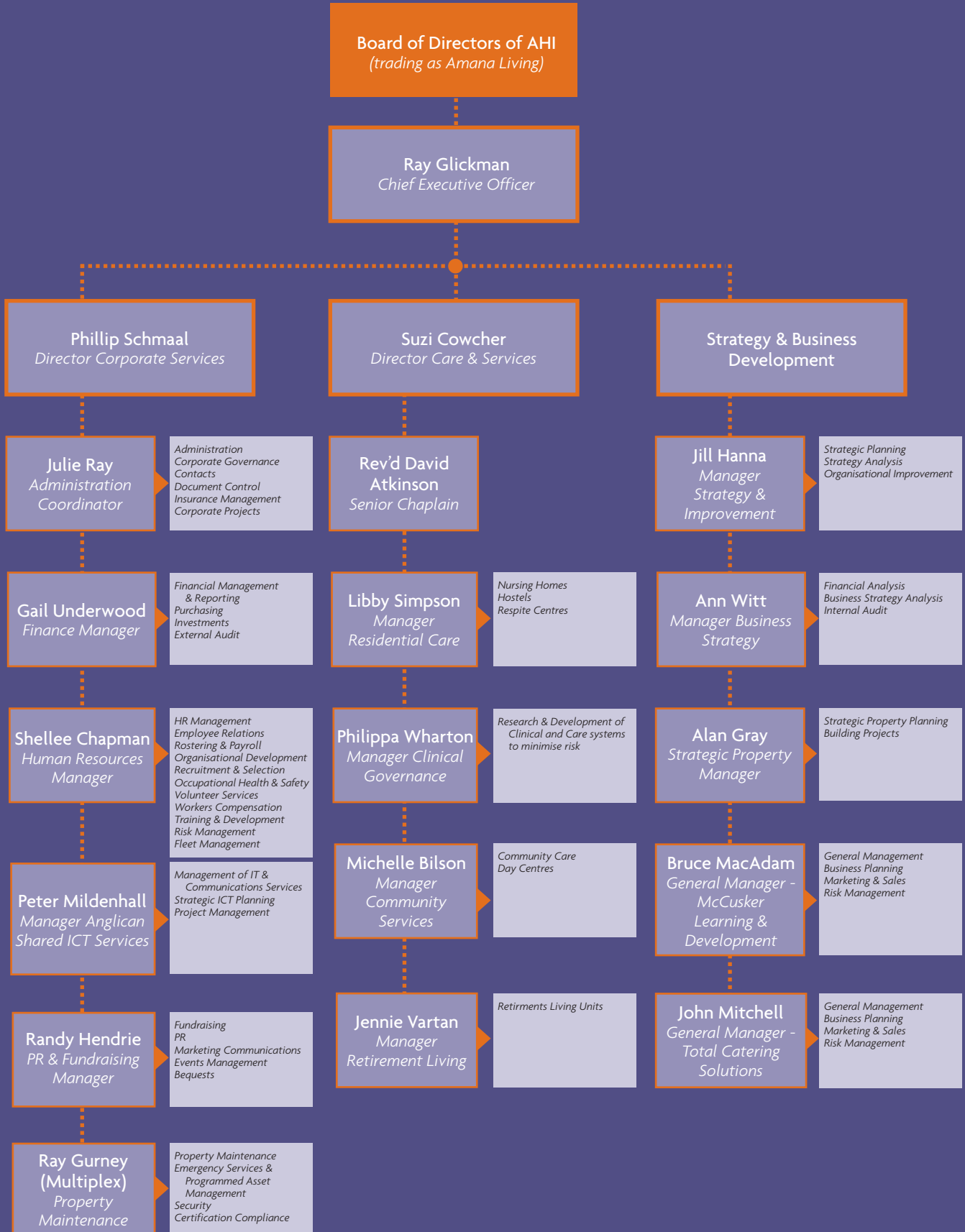


Hon Julie Bishop MP (in her previous role as Federal Minister for Ageing, awards Mavis Brennan (right) from Moline Village, Karrinyup with her Bethanie Medallion for Voluntary Services to Aged Care.



"Mr Wonderful" (Jack Williamson), a volunteer at Wearne House, Mandurah visits residents most days and assists with a myriad of tasks. He is seen here with some of his admirers. (photo courtesy Community Newspaper Group).

Organisational Chart





*The Right Reverend
Roger Adrian Herft*



Mr Peter Dawes



Dr Mark Donaldson



Mrs Lorraine E Allchurch



Mrs Karen L Field



Mr Ian Ludlow

Our Board members

The Right Reverend Roger Adrian Herft was elected as the Seventh Archbishop of Perth and Metropolitan of the Province of Western Australia and was inaugurated on 11 June 2005. He is a member of the General Synod Standing Committee, Appellate Tribunal and chairs the General Synod Liturgy Commission. Visitor (AH), Visitor (AHF)

Mr Peter Dawes became Chairman of the AH Board in February 2005 replacing retired Chairman Terry Hogan. He is Managing Director of Amex Corporation Pty Ltd, a national residential land development company, and director of a number of other companies. Before joining Amex in 1985 he owned and operated a Perth-based manufacturing company that became national market leader in the supply of sports clothing to the AFL. (G; F; I; SAG-TCS)

Dr Mark Donaldson MBBS (WA), FRACP joined the AH Board in 1993. Commenced with the SJMTF Board in 1996 and is current Chairman. Head of Department of Geriatric Medicine at Royal Perth Hospital where he is involved in acute care of the elderly. At Bentley Hospital his role is in commissioning and developing Bentley Aged Care Service and in developing services for people with dementia, including strongly supportive involvement with AH Lefroy Hostel. (SAG-C; SJMTF)

Mrs Lorraine E Allchurch joined the AH Board in 1998 and AHF Board in 1999. She has managed family business interests for many years, was previously a member of the Kings Park Board, and has worked with a number of charitable organisations. In 1993 she received a Meritorious Service Award from the Liberal Party of WA, of which she has been an active member for over 25 years. (I)

Mrs Karen L Field BEcon was appointed to the Anglican Homes Board in September 2002. Karen has had extensive experience in the resources sector over several decades and brings to the Board specialist strategic planning, human resources and project management skills. Following completion of an assignment as Chief Executive of a large copper/gold project in Argentina, Karen returned to Australia in 2001 and currently consults to the minerals and related industries as well as assuming a number of directorships. (G-Chair)

Mr Ian Ludlow BCom, CA, AFAIM, FTIA joined the AH Board in July 2003 as the Archbishop's nominee. He is Honorary Treasurer, Chairman of the Finance and Audit Committee. He was appointed the Executive Director of Swanleigh in February 2004 and has previous experience in business management in independent schools and tax and business services in public practice. (F-Chair)

Mrs Brenda Mazzuchelli OAM, BSc joined the AH Board in 1987 and became Deputy Chairman in 1998; appointed to the Sir James McCusker Training Foundation (SJMTF) Board in 1996 and also served on the Anglican Homes Foundation (AHF) Board. In recognition of her service to the community, particularly through education and welfare organisations associated with the Anglican Church of Australia, she was presented with an Order of Australia Medal in 2004. Brenda was on the Parkerville Children's Home Council from 1998 – 2003 and undertook voluntary work on diocesan and parish committees. She worked in science education in the UK and Australia for ten years and was the first woman member of the Guildford Grammar School Council, on which she served for 12 years. (SAG-C)

Mr Roger M Port BA, CA, FSIA, MAICD was appointed to the AH in 1997. He is a member of the Finance and Audit Committee and has been a Perth Diocesan Trustee since 2002. A graduate of Macquarie University, he is a partner of PricewaterhouseCoopers, specialising in corporate finance, business valuation advice, mergers, acquisition and due diligence services. (F)

Mr Eric Maitland Ross-Adjie BJuris, LLB joined the AH Board in December 2003. He is a partner of the law firm Karp Steedman Ross-Adjie. Eric practices in the areas of general commercial, property, corporate and banking and finance law. Appointed a Trustee of the Anglican Diocese of Perth in 1994, he is also a member of the General and Diocesan Synod and a Pastoral Assistant of St Andrew's Subiaco. (G)

Mr Andrew H Scotford LFAIQS, FRICS joined the AH Board in 1997 and is Chairman of its Building Committee. Other Diocesan appointments include the Perth Diocesan Trustees Property Sub Committee, and The Anglican Schools Commission. He is a life fellow and past national president of The Australian Institute of Quantity Surveyors.



Mrs Brenda Mazzuchelli



Mr Roger M Port

Mr Eric Maitland
Ross-Adjie

Mr Andrew H Scotford



Mrs Sue van Leeuwen

The Venerable
Angela Webb

Mrs Sue van Leeuwen RN, RM, BAppSc, PGradDip, GradDipBus, MBA was appointed to the AH Board in May 2004. She commenced her career in the nursing profession and after undertaking further academic qualifications became Manager of Primary Health Care, in South Western Australia. In 1998 Sue left the health sector to join Edith Cowan University's South West Campus as the inaugural Faculty Manager. She was appointed Director of Swanleigh in 1999, and is currently Assistant Provost at Notre Dame University. Sue is completing her Doctoral studies in the area of innovation in the public sector. She is an active member in the community being a participant in the inaugural Leadership WA program and Board member of St John Ambulance. (G; SAG-C)

The Venerable Angela Webb BEd, BD joined AH Board in May 2004, as the Archbishop's nominee. She trained for the ministry at Murdoch University, was ordained Deacon and Priest in 2000 and is currently Rector of St Martin in the Fields, Kensington and Co-adjutor Archdeacon of Perth, with particular responsibilities for women's Ministries. Angela is a member of General and Diocesan Synods. She is an Honorary Fellow of St Catherine's College, within the University of Western Australia. (SAG-C)

Board movements

- Brenda Mazzuchelli (retired 30 June 06)
- Eric Ross-Adjie (retired 30 June 06)

The Executive team

Mr Ray Glickman,

Chief Executive Officer

MBA, MA (Oxon), MA (Brun), FAIM, CQSW

Ms Toni Stampalija,

Director Corporate Services

GradCert (Mgmt) (resigned 30 June 06)

Ms Suzi Cowcher,

Director Care and Services

RN, GradDip (Bus), MBA

All Board Members are members of Amana Living (AL), Anglican Homes Foundation (AHF) and the McCusker Learning and Development (MLD)

Committee codes:

F - Finance and Audit

G - Board Governance

I - Investment

Strategic Advisory Group codes:

SAG - Strategic Advisory Groups

SAG-C - Care & Services

SAG-TCS - Total Catering Solutions

SAG-MLD - McCusker Learning and Development

SAG-AHF - Anglican Homes Foundation

External SAG members

Care and services

Jeanette Achurch BA (Soc.Studs) Exon DIMSW

Dept of Aged Care and Rehabilitation,
Bentley Health Service

Assoc Prof Moira Sim

MBBS, FRACGP, FACHAM, PGDipAlcDrugAbStud
Edith Cowan University

Dr Ann Zubrick PhD (Dev Psych), MA (Psych),

MSc (Speech Pathology), BSc (Anthropology) LACST

Anglican Homes Foundation

Michelle Bibby

Self Employed

Jeff Champtaloup BA (Hons) Graphic Design

brainCELLS Pty Ltd

Carrick Robinson BA (Psych)

Marketforce Advertising

Marie-Louise Sinclair

Sinclair Consulting

Jan Yerkovich FFIA, CFRE, MAICD

Fundraising Management
Consultants Pty Ltd

McCusker Learning and Development

Liz Flatters MBA, GradDip (Bus), GradCert (Mgmt)

Staying In Touch

Eric Graham PhD, BA (DipEd), PostGrad (DipEd), MEd

ETAS Pty Ltd

Di Russell-Taylor BSc, BSoc.Sc

Uniting Church Homes

Geoff Trott

Training Services Australia

Total Catering Services (TCS)

Will Brander BSc, DipEd

TAFE WA

Matt Giles FCCA

BDO Consultants (WA) Pty Ltd

Matthew Kailis BEc, MBA, MAICD

Kailis Bros. Pty Ltd

Ruth Moyses

MBA, GradDip (Food Science), BAppSc
Qantas Flight Catering Limited



Corporate Governance

Amana Living is the trading name of Anglican Homes Inc which was incorporated as an association under the Associations Incorporation Act (WA) 1987.

The Board, in fulfilling its obligation to its various stakeholders, is a strong advocate of best practice and corporate governance. It is responsible for ensuring that Amana Living is managed in a manner which protects and enhances the interest of its stakeholders. To this end, a comprehensive Directors' Handbook has been developed to provide the Board with a road map in respect of individual and collective Director responsibilities.

The relationship between the Board and Management is clearly understood and respected.

The Board delegates responsibility for executive management of the organisation to the Chief Executive Officer, Ray Glickman, supported by his Executive and Management staff.

In line with our desire to strengthen our compliance framework, a newly formed department, the Administration Department, has assumed the role of providing Corporate Governance support for the Director of Corporate Services.

In its supporting role, it will address a number of compliance issues including:

- **The need for an accurate Governance Compliance Schedule**
- **The maintenance of the Directors' Handbook**
- **Delegated Authority Register**
- **Centralised Contracts Database**

The organisation's Strategic Advisory Groups, which comprise professional individuals with diverse skills, (who are external to Amana Living), met several times during the past year. They reviewed and evaluated a number of identified projects and processes, which assisted the following areas:

- **Care and Services Directorate**
(providing day to day care)
- **Anglican Homes Foundation**
(PR and Fundraising)
- **McCusker Learning and Development**
(training arm of AHI)
- **Total Catering Solutions**
(catering arm of AHI)

We recognise that the professional expertise these individuals bring to our organisation is invaluable, and would like to formally thank them for their assistance in helping us to continue on our journey towards a successful future.

The composition of the Amana Living Board is reviewed in relation to the appropriate mix of skills and experience required to fulfil its responsibilities and duties. It meets monthly and consists of 9 members with backgrounds in areas such as finance, the law, medicine, social welfare and the church.

In addition, to support its work, Amana Living has three Board sub-committees: Finance and Audit; Board Governance, and Investment which meet periodically throughout the year. Minutes and resolutions of all Committees are tabled at Board meetings for information and deliberation.

Financial Results

The Financial Statements have been prepared under Australian Equivalents to International Reporting Standards (A-IFRS). Comparative data has been restated to comply with A-IFRS.

Consolidated gross revenue for 2005/06 was \$51.9M including income of a capital nature comprising fundraising for capital works, resident bond retentions, accommodation charges, and the sale of ILU properties. Income of a capital nature totalled \$4.1M and continues to play an important role in maintaining profitability. Total expenditure for the same period was \$50.7M thus providing consolidated profit of \$1.2M for the year.

Employee benefits reflect an increase of 6% and containment of these costs continue to be a major challenge due to a shortage of skilled and experienced staff in the current labour market. Government subsidies have increased by 8% (this included the Conditional Adjustment Payment of 3.5% from the Department of Health and Ageing, higher RCS (Resident Classification Scale) levels due to the gradual implementation of WeCare, extra service and additional beds coming on line at Lady McCusker Home and Peter Arney Home) and CPI increase in resident fees of 3%. Graphs 2a and 2b provide illustration of sources of income and areas of expenditure.

The consolidated Balance Sheet remains robust with retained equity of \$73.5M and assets of \$123.4M. All liabilities are non-interest bearing.

The major financial highlights for 2005/06 were:

- ✓ Receipt of \$28.6M in government subsidies (\$26.5M 2004/2005) and \$11.4M in resident fees and charges (\$11.6M 2004/2005).
- ✓ Independent Living Unit Deferred Management Fees and amortisation of Initial Lease Sale Price of \$2.9M (\$2.8M 2004/2005).
- ✓ Non Refundable Ingoings are now amortised over a 12 year period due to the adoption of A-IFRS, prior to the adoption of A-IFRS these were accounted for on receipt.
- ✓ An increase in employee benefits of \$2.0M, reflecting EBA and CPI increases and additional staff (\$33.8M 2005/2006, \$31.8M 2004/2005).
- ✓ An increase in total assets of \$8.0M (\$123.4M 2005/2006, \$115.4M 2004/2005). Increase due to revaluation of land holdings, buildings and investments in accordance with the adoption of A-IFRS

The improved financial performance for the year saw total cash flows increase by \$0.7M for the year.

Summary of Consolidated Income Statement for the financial year ended 30 June 2006

	2006				2005			
	Consolidated \$'000s	AHI \$'000s	AHF \$'000s	SJMTF \$'000s	Consolidated \$'000s	AHI \$'000s	AHF \$'000s	SJMTF \$'000s
Income								
Government subsidies	28,598	28,598	-	3	26,486	26,474	-	12
Rents, fees and charges	11,432	11,389	-	238	11,597	11,588	-	299
Donations and bequests	99	18	311	-	438	42	396	-
Income of a capital nature	4,147	4,651	-	-	3,686	3,686	-	-
Other income	7,611	6,842	709	57	6,149	5,728	549	68
Revenue from Ordinary Activities	51,887	51,498	1,020	298	48,356	47,518	945	379
Expenditure								
Employee benefits	33,811	33,586	130	372	31,849	31,683	96	360
Catering and food supplies	3,332	3,329	-	3	3,372	3,372	-	2
Maintenance and repairs	2,164	2,138	-	26	2,137	2,113	-	24
Depreciation and impairments of non-current assets	3,852	3,826	-	25	3,982	3,951	7	25
Other expenses from ordinary activities	7,552	7,153	803	248	6,142	5,901	133	301
Expenses from Ordinary Activities	50,711	50,032	933	674	47,482	47,020	236	712
Profit/(loss) From Ordinary Activities	1,176	1,466	87	(376)	874	498	709	(333)
Total Profit/(loss)	1,176	1,466	87	(376)	874	498	709	(333)

Summary of Consolidated Balance Sheet for the financial year ended 30 June 2006

	2006				2005			
	Consolidated \$'000s	AHI \$'000s	AHF \$'000s	SJMTF \$'000s	Consolidated \$'000s	AHI \$'000s	AHF \$'000s	SJMTF \$'000s
Current Assets	28,575	26,676	1,471	625	26,306	24,249	1,378	1,108
Non-Current Assets	94,833	91,708	3,022	103	89,091	86,423	2,556	112
Total Assets	123,408	118,384	4,493	728	115,397	110,672	3,934	1,220
Current Liabilities	43,363	43,227	35	296	37,762	37,725	53	412
Non-Current Liabilities	6,543	6,543	-	-	7,984	7,984	-	-
Total Liabilities	49,906	49,770	35	296	45,746	45,709	53	412
Net Assets	73,502	68,614	4,458	432	69,651	64,963	3,881	808
Total Accumulated Funds	73,502	68,614	4,458	432	69,651	64,963	3,881	808

Note to the Financial Statements for the financial year ended 30 June 2006*Basis of Preparation*

The summarised financial report, comprising the Summary of Consolidated Statement of Financial Performance and Summary of Consolidated Statement of Financial Position, have been derived from the full financial reports of Anglican Homes (Incorporated) ("AHI"), Anglican Homes Foundation (Incorporated) ("AHF") and Sir James McCusker Training Foundation (Incorporated) ("SJMTF").

Going Concern

The financial report has been prepared on a going concern basis. Current liabilities exceed current assets due to the A-IFRS requirement to classify Accommodation Bonds and Interest Free Loans as current liabilities, however the Directors believe that it is highly improbable that these liabilities will be required to be settled within the next 12 months and therefore believe that the entity can repay all its debts as and when they fall due.

A full description of the accounting policies adopted by the above entities is provided in the 2006 financial statements which form part of the respective full financial reports.

Statement by Board of Directors

for the financial year ended 30 June 2006

The board of Directors declare that the attached financial statements have been derived from the full financial reports of Anglican Homes (Incorporated), Anglican Homes Foundation (Incorporated) and Sir James McCusker Training Foundation (Incorporated).



P Dawes
Chairman



I Ludlow
Treasurer

Date: 27/09/2006

Table 1:

Comparison of Anglican Homes Group Financial Performance for the period 2000 - 2006

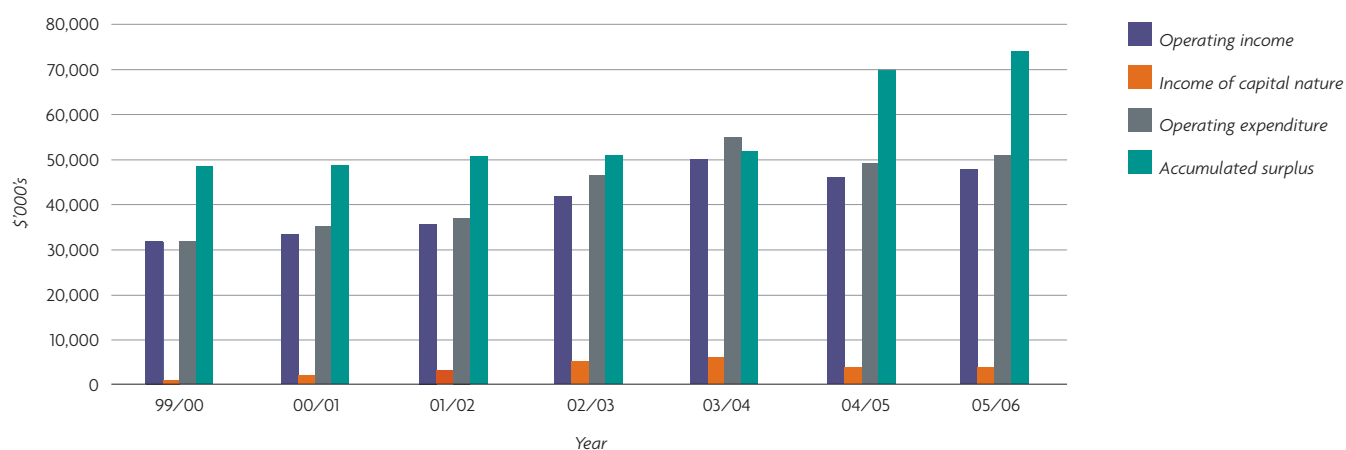
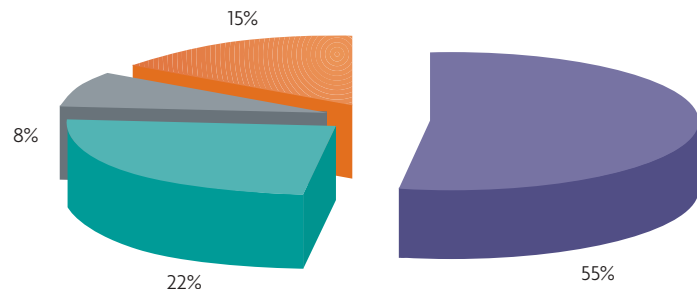


Table 2:

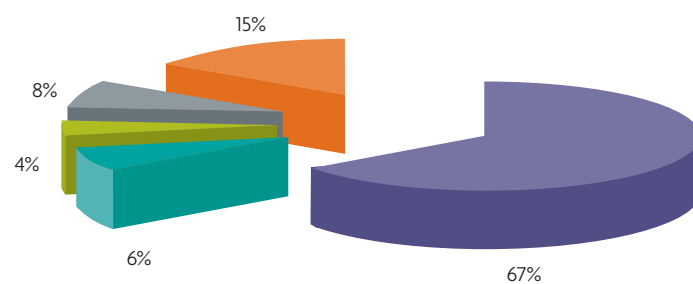
Consolidated Operating Income 2005/06 (\$51.9m)



- Government subsidies (\$28.6m)
- Rents, fees and charges (\$11.4m)
- Income of a capital nature (\$4.3m)
- Other income (\$7.6m)

Table 3:

Consolidated Operating Expenditure 2005/06 (\$50.7m)



- Employee benefits (\$33.8m)
- Catering and food supplies (\$3.3m)
- Maintenance and repairs (\$2.2m)
- Expenses related to assets (\$3.9m)
- Other expenses from ordinary activities (\$7.5m)

Independent audit report to the Board of Directors of Anglican Homes (Incorporated)

Scope

We have audited the summarised financial report of Anglican Homes (Incorporated), Anglican Homes Foundation (Incorporated) and Sir James McCusker Training Foundation (Incorporated) for the financial year ended 30 June 2006 comprising the Summary of Consolidated Income Statement, Summary of Consolidated Balance Sheet and notes to the financial statement in accordance with Australian Auditing Standards.

In our opinion, the information reported in the summarised financial report is consistent with the annual statutory financial reports from which it is derived and upon which we expressed unqualified audit opinions in our reports to the Board of Directors dated 27 September 2006. For a better understanding of the scope of our audits, this report should be read in conjunction with our audit reports on the annual statutory financial reports of Anglican Homes (Incorporated), Anglican Homes Foundation (Incorporated) and Sir James McCusker Training Foundation (Incorporated).



DELOITTE TOUCHE TOHMATSU



Peter Rupp
Partner
Chartered Accountants
Perth, 27 September 2006

Amana Living is born, Anglican Homes endures

While so much has changed since 1962, our passion to provide care and support for older people is still the same, and our adherence to Christian values and the Anglican tradition remains unchanged.

This financial year we have remained committed to responding to the changing current and future needs within the aged care sector by adopting a clear strategic vision, clearly articulating our plans, committing to sustainability in business practice, and by ensuring ongoing relevance to meeting the changing needs of consumers.

It has been a busy and at times challenging period, and we could not have achieved the outstanding results outlined in this report without the concerted effort of our staff and volunteers.

We acknowledge the importance of strong partnerships and the assistance provided to us by the Commonwealth and State Government, and by industry colleagues, corporate supporters, suppliers and sponsors. Their valuable contributions collectively make us a strong vibrant organisation.

We begin this next financial year with a refreshed public face and a proud Anglican heritage. We can assure the community that we are ready and prepared to meet the challenges ahead.



Amana Living Services Map

Perth metropolitan area:



Regional centres:

MANDURAH

RL, NH, H, R Wearne Home

KALGOORLIE

R, NH, H Edward Collick Home
RL Muschamp Village

ALBANY

RL Wollaston Court

Head Office:

416 Stirling Highway, Cottesloe WA 6011

Phone: (08) 9393 1088

Email: reception@amanaliving.com.au

Information and Service Centre:

416 Stirling Highway, Cottesloe WA 6011

Phone: (08) 9424 6363

Email: information@amanaliving.com.au

Community Services:

Phone (08) 9344 9200

Email: community@amanaliving.com.au

Retirement Living:

Phone (08) 9265 0300

Email: retirement@amanaliving.com.au

Acknowledgements

We recognise the enormous contribution made by many individuals, and organisations that has helped us to make a positive difference to the lives of our residents over the last 12 months.

It has been a year marked by important events and generosity. On behalf of the Amana Living Board, and our staff and residents, we acknowledge with appreciation the support we have received from the many community and corporate partners, donors and volunteers.

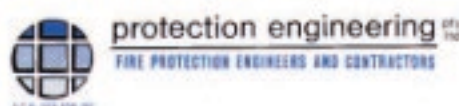
We are also grateful to our major creditors whose sponsorship enabled us to publish this Annual Report, and thank them for their ongoing commitment to our organisation and aged care.

Major Sponsor

We again welcome the Anglican Community Fund as this year's major sponsor.

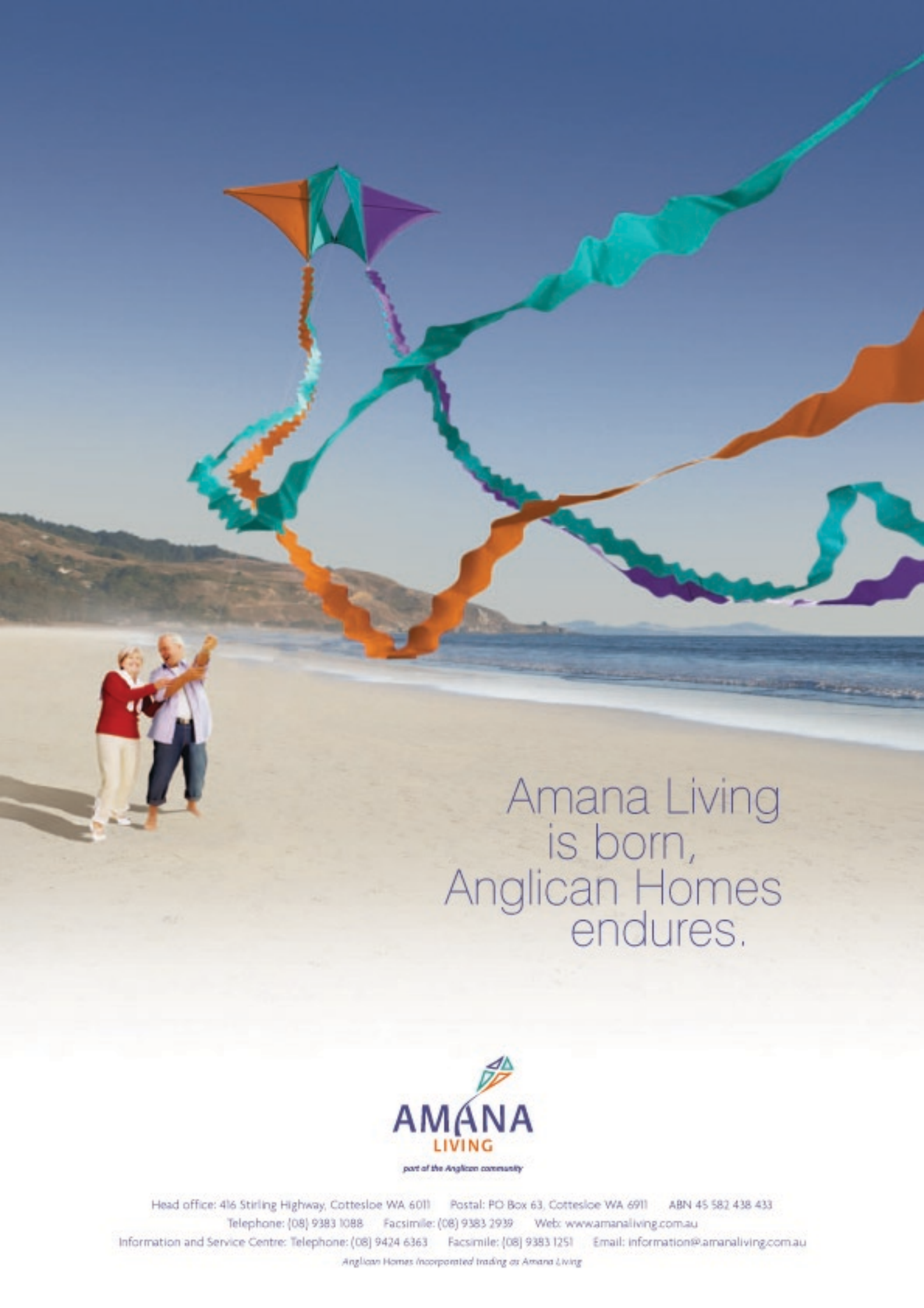


Sponsors



Supporters





Amana Living
is born,
Anglican Homes
endures.



Head office: 416 Stirling Highway, Cottesloe WA 6011 Postal: PO Box 63, Cottesloe WA 6911 ABN 45 582 438 433
Telephone: (08) 9383 1088 Facsimile: (08) 9383 2939 Web: www.amanaliving.com.au
Information and Service Centre: Telephone: (08) 9424 6363 Facsimile: (08) 9383 1251 Email: information@amanaliving.com.au
Anglican Homes incorporated trading as Amana Living