

# ANGLICARE NSW SOUTH, NSW WEST & ACT

## *General Purpose Financial Statements*

*for the Year Ended*

*30 June 2016*

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# REPORT BY MEMBERS OF THE BOARD FOR THE YEAR ENDED 30 JUNE 2016

The Members of the Board of Anglicare NSW South, NSW West and ACT (Anglicare) submit the following report and the accompanying financial statements in respect of the financial year ended 30 June 2016:

## **Names of Members of the Board**

The names of the members of the Board of Anglicare who have been in office during the financial year ended 30 June 2016, and up to the date of this report, are as follows:

Professor Ingrid Moses (appointed 10 December 2010) (Presiding Member)

Mr John Lawson (appointed 4 February 2011)

Mr Clive Jones (appointed 14 October 2011, resigned August 2015)

Ms Sue West (appointed 14 October 2011)

Mr Stephen Jagers (appointed December 2013)

Dr Bill Anscombe (appointed April 2014)

Ms Jocelyn Martin (appointed 8 October 2014)

Ms Lynette Glendinning (appointed 17 April 2015)

The Rev'd Canon Margaret Campbell (appointed 17 April 2015)

## **Principal Activities**

The principal activities of Anglicare during the financial year included out of home care, homelessness services including emergency and transitional housing, services to youth and families at risk, children's services including early childhood education centres, disability services, counselling, health care, disaster recovery management, parish based care, opportunity shops, advocacy, research and self-care facilities to independent retirees.

## **Review of Results**

The surplus of Anglicare for the year ended 30 June 2016 was \$1,436,701 (2015:\$819,012) based on revenues of \$61,814,648 (2015: \$51,220,207) and expenses of \$60,377,947 (2015: \$50,401,115). The surplus for the year ended 30 June 2016 included revenues of \$3,825,091 (2015: \$384,202) and expenses of \$2,444,410 (2015: \$566,347) relating to the revaluation of investment properties and the related licences to occupy liability.

## **Likely developments and expected results**

The board is forecasting a surplus of \$783,823 for the year ended June 2017. This is based on forecasts of \$59,768,448 for revenue and \$58,984,625 for expenditure.

# STATEMENT BY MEMBERS OF THE BOARD FOR THE YEAR ENDED 30 JUNE 2016

In the opinion of the members of the Board:

The financial statements set out in the following pages are drawn up so as to present fairly the entity's state of affairs as at 30 June 2016 and of the operating result for the year ended on that date;

At the date of the financial statements, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they fall due;

No other matters or circumstances have arisen since the end of the financial year that may significantly affect the operations of Anglicare, the result of those operations or the state of affairs of Anglicare in subsequent financial years;

The directors are not aware of any significant regulations that require any disclosure that is additional to that already included within the financial statements;

There have been no events or transactions that jeopardise the independence of the external auditor; and

The financial statements are prepared in accordance with Australian Accounting Standards Reduced Disclosure Requirements and other mandatory professional reporting requirements and satisfy the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012*.

Signed at Canberra this 25th day of October 2016 in accordance with a resolution of the Board.



Presiding Member



Board Member



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## Independent auditor's report to the members of Anglicare NSW South, NSW West & ACT

We have audited the accompanying financial report of Anglicare NSW South, NSW West & ACT ("the Entity"), which comprises the statement of financial position as at 30 June 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the report by members of the board.

### Board's Responsibility for the Financial Report

The board of the entity is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal controls as the board determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Independence

In conducting our audit we have complied with the independence requirements of the Australian professional accounting bodies.

### Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of Anglicare NSW South, NSW West & ACT as of 30 June 2016, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.

Ernst & Young  
Canberra  
25 October 2016

# STATEMENT OF COMPREHENSIVE INCOME

*For the financial year ended 30 June 2016*

		2016	2015
	Note	\$	\$
Revenue	2	56,911,952	49,783,660
Gain on revaluation of investment property	2	3,825,091	384,202
Other income	2	1,077,605	1,052,345
Operating expenses	3	25,738,578	22,287,900
Loss on remeasurement of licences to occupy		2,444,410	566,347
Transfer of proceeds from aged care divestment	1(o)	500,000	-
Employee expenses	4	31,694,959	27,546,868
<b>Surplus</b>		<b>1,436,701</b>	<b>819,092</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>1,436,701</b>	<b>819,092</b>

# STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Note	2016 \$	2015 \$
<b>Current Assets</b>			
Cash and cash equivalents	5	1,431,904	1,225,323
Trade and other receivables	6	2,502,290	1,322,130
Other financial assets	7	5,096,635	5,212,410
Other	8	324,992	175,631
<b>Total Current Assets</b>		<b>9,355,821</b>	<b>7,935,494</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	9,10	3,900,633	4,019,847
ACPT funds	11	1,918,496	1,967,983
Investment property	12	55,090,000	50,995,000
<b>Total Non Current Assets</b>		<b>60,909,129</b>	<b>56,982,830</b>
<b>Total Assets</b>		<b>70,264,950</b>	<b>64,918,324</b>
<b>Current Liabilities</b>			
Payables	13(a)	47,029,058	43,470,416
Provisions	15(a)	2,524,665	2,351,162
<b>Total Current Liabilities</b>		<b>49,553,723</b>	<b>45,821,578</b>
<b>Non-Current Liabilities</b>			
Trade and other payables	13(b)	57,938	52,334
Provisions	15(b)	689,105	516,929
<b>Total Non-Current Liabilities</b>		<b>747,043</b>	<b>569,263</b>
<b>Total Liabilities</b>		<b>50,300,766</b>	<b>46,390,841</b>
<b>Net Assets</b>		<b>19,964,184</b>	<b>18,527,483</b>
<b>Equity</b>			
Reserves		2,178,631	2,415,300
Accumulated funds		17,785,553	16,112,183
<b>Total Equity</b>		<b>19,964,184</b>	<b>18,527,483</b>



# STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2016

	Accumulated funds	Anglican Church Property Trust (Note 11)	Fundraising Reserve	Total equity
<b>As at 1 July 2014</b>	15,380,192	1,888,033	440,166	17,708,391
Net surplus for the year	819,092	-	-	819,092
Total other comprehensive income for the year	-	-	-	-
Transfer to reserves	(87,101)	79,950	7,151	-
<b>Balance as at 30 June 2015</b>	<b>16,112,183</b>	<b>1,967,983</b>	<b>447,317</b>	<b>18,527,483</b>
<b>Changes in Equity for 2015 / 2016</b>				
Net surplus for the year	1,436,701	-	-	1,436,701
Transfer from reserves	236,669	(49,487)	(187,182)	-
<b>Balance as at 30 June 2016</b>	<b>17,785,553</b>	<b>1,918,496</b>	<b>260,135</b>	<b>19,964,184</b>



# STATEMENT OF CASH FLOWS

*For the financial year ended 30 June 2016*

	Note	2016 \$	2015 \$
<b>Cash flow from operating activities</b>			
Receipts		61,687,867	57,133,271
Payments to suppliers and employees		(60,620,366)	(57,706,802)
Interest received		67,326	346,383
Net cash from/(used in) operating activities		1,134,827	(227,149)
<b>Cash flow from investing activities</b>			
Payments for property, plant and equipment		(424,408)	(677,807)
Payments for investment property		(269,909)	(480,048)
Receipts from/acquisition of investments		165,262	(137,663)
Additions to/reduction in long term maintenance fund		5,604	(566)
Net cash (used in) investing activities		(523,451)	(1,296,084)
<b>Cash flow from financing activities</b>			
Inflows for licences to occupy		4,728,200	5,024,069
Outflows from licences to occupy		(5,132,995)	(4,162,047)
Net cash (used in)/from financing activities		(404,795)	862,022
Net increase in/(decrease in) cash held		206,581	(661,211)
Cash at 1 July		1,225,323	1,886,534
<b>Cash at 30 June</b>	5	<b>1,431,904</b>	<b>1,225,323</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

The financial statements represent the individual entity of Anglicare NSW South, NSW West & ACT for the period 1 July 2015 to 30 June 2016.

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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### **Basis of Preparation**

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Australian Accounting Standards - Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board and the *Australian Charities and Not-for-Profits Commission Act 2012*.

Anglicare is incorporated under the *Anglicare Canberra and Goulburn Incorporation Ordinance 2006* in the Diocese of Canberra and Goulburn.

The financial statements are for the single entity, Anglicare. The address of its registered office is 221 London Circuit, Canberra, ACT. Anglicare is a not-for-profit entity for financial reporting purposes.

The financial statements are presented in Australian dollars and have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets.

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

### **Going Concern**

Notwithstanding the net current liability position of \$40m as at 30 June 2016, the financial report has been prepared on a going concern basis. The net current liability is due to the licence to occupy liability of \$39.8m which is required to be disclosed as a current liability under Australian Accounting Standards whereas in practice this current liability is extinguished as and when an individual resident provides notice to vacate, at which time the independent living unit is typically re-let coinciding with a replenishment of licence to occupy entitlement.

### **Changes in accounting policy, accounting standards and interpretations**

The accounting policies adopted are consistent with those of the previous financial year.

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *Accounting Policies*

#### **a) Income Tax**

Anglicare is a tax exempt body under Subdivision 50-B of the *Income Tax Assessment Act 1997*.

#### **b) Property, Plant and Equipment**

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Anglicare and the cost of the item can be measured reliably. All other costs are charged to the statement of comprehensive income during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income.

The land and buildings in these financial statements are held in the name of the Anglican Church Property Trust Diocese of Canberra and Goulburn. They are controlled by Anglicare and are recorded in Anglicare's financial statements at fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

<b>Class of Asset</b>	<b>Depreciation Rates</b>
Land and buildings	50 years
Plant and equipment	5 to 10 years
Fixtures, fittings & furniture	10 years
Computer equipment	3 to 4 years
Fire protection	20 years

## **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **c) Investment Property**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in fair values of investment properties are included in profit or loss in the period in which they arise. Fair value is determined based on an annual evaluation performed by an accredited external, independent valuer.

The investment properties recorded by Anglicare are held in the name of the Anglican Church Property Trust Diocese of Canberra and Goulburn. They are controlled by Anglicare and are recorded in Anglicare's financial statements at fair value based on annual valuations by external independent valuers.

### **d) Leases**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

### **e) Financial Instruments**

#### ***Recognition***

Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the financial asset. Subsequent to initial recognition these instruments are measured as set out below.

#### ***Financial assets at fair value through profit and loss***

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139 *Financial Instruments: Recognition and Measurement*. Gains and losses arising from changes in the fair value of these assets are included in the Statement of Comprehensive Income in the period in which they arise.

#### ***Loans and receivables***

Loans and receivables are financial assets with fixed or determinable payments and are stated at amortised cost using the effective interest rate method.

#### ***Held-to-maturity investments***

These investments have fixed maturities, and it is the intention to hold these investments to maturity. Any held-to-maturity investments held are stated at amortised cost using the effective interest rate method.

#### ***Available-for-sale financial assets***

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in an investment revaluation reserve.

## **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### ***Financial liabilities***

Financial liabilities are initially recognised at fair value. Financial liabilities comprises the licence to occupy on independent living units. Financial liabilities are subsequently measured at amortised cost, where adjustments are made for principal payments and amortisation. The value of licences to occupy is adjusted to account for any capital appreciation due to residents. This adjustment is based on the values of the underlying investment properties and contractual arrangements (see Note 1(l)).

### ***Impairment***

At the end of each reporting period, an assessment is made whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the Statement of Comprehensive Income.

### **f) Impairment of non-financial assets**

At the end of each reporting period, the carrying values of non-financial assets are reviewed to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, is compared to the asset's carrying value. The recoverable amount of an asset is the higher of its fair value less costs to sell, and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if Anglicare was deprived of the asset, its value in use is taken to be its depreciated replacement cost. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

### **g) Employee provisions**

Provision is made for the liability for employee benefits arising from services rendered by employees to balance date. The benefits expected to be settled within one year to employees for their entitlements have been measured at the amounts expected to be paid including on-costs and are disclosed as current liabilities. Employee benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made in respect of those benefits.

### **h) Provisions**

Provisions are recognised when Anglicare has a legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will result and that the outflow can be reliably measured.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

## **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **i) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within current interest bearing liabilities on the Statement of Financial Position where applicable.

### **j) Revenue**

Fees for services are recognized as services are provided. These include maintenance fees and rent. Fees include child care centre fees and NDIS client fees. Child care fees are recognised when received.

Interest revenue is recognised using the effective interest rate method.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. These services include out of home care exception support.

Grant revenue is recognised in the Statement of Comprehensive Income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before the entity is entitled to the contribution, the recognition of the grant as revenue is deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered, otherwise the grant is recognised as income on receipt.

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Donation and appeals income is recognised when received.

Income from amortisation of licences (known as deferred management fees) is recognised on the basis of each individual contract and is the amount relevant to the specific period. Deferred Management Fees are only applicable to a specific period of time noted in each contract and are recognised on a straight line basis over the term. For comparative purposes amortisation of bonds in the prior period represents amounts contributed by residents to occupy the Aged Care Facilities. Anglicare was generally entitled to retain a portion of each bond as income depending upon the date of entry of the resident, each year for a maximum period of five years.

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

## **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **k) Goods and Services Tax (GST)**

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

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### **l) Licences to Occupy**

Licences to occupy represent the portion of initial contributions repayable to residents of self care units when they vacate their unit, plus any share of capital appreciation due to residents as specified in individual contracts. The share of capital appreciation is calculated on the basis of the fair values of the underlying investment properties as outlined in note 1(c). Licences to occupy are recorded at their nominal value adjusted for any retention or share of capital appreciation.

### **m) Comparative Figures**

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

### **n) Critical Accounting Estimates and Judgements**

In the application of the entity's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Board believe that the key estimates or key judgements used in the development of the financial statements were the estimate of the useful lives of assets and the value of licences to occupy which are based on the valuation of external independent auditors of investment properties and the subsequent licence holders' contractual share of that valuation. The Board does not believe that any key estimates or judgements will give rise to a significant risk of material adjustment in the future.

For investment properties, a valuation methodology based on comparable market data was used by the external independent valuers.

## **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **o) Proceeds from aged care divestment**

On 4 June 2013 the Anglicare Board made the decision to divest its Residential Aged Care (RAC) facilities and some Independent Living Units (ILU). The discontinued operation was sold on 17 June 2014. During the 2016 financial year following a Bishop in Council resolution, Anglicare transferred \$500,000 of the proceeds from the aged care divestment to the Diocese. The remaining \$500,000 from the proceeds is to be transferred during the 2017 financial year. (See Note 7)

### **p) Reserves**

Anglicare records a reserve in equity for funds held with the ACPT on behalf of Anglicare which have been received from bequests and have specific terms related to their use.

Anglicare also records a reserve in equity for funds collected by the organisation through fundraising appeals. The reserve tracks how these funds are applied to the purposes of the appeal in subsequent years.

### **q) Fair Value Measurement**

Anglicare measures non-financial assets such as investment properties, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to Anglicare. Anglicare uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.



## NOTE 2: REVENUE

	2016	2015
	\$	\$
<b>Revenue</b>		
Fees	7,461,956	6,464,446
Interest received	119,491	283,782
Maintenance fees	693,758	673,551
Deferred management fees	1,174,467	995,400
Rent	19,742	20,622
Operational grants	44,851,093	38,889,647
Out of home care exception support	1,782,629	1,791,422
Sales	808,816	664,790
<b>Total revenue</b>	<b>56,911,952</b>	<b>49,783,660</b>
Gain on revaluation of investment property	3,825,091	384,202
<b>Total gain on revaluation of investment property</b>	<b>3,825,091</b>	<b>384,202</b>
<b>Other income</b>		
Appeals and donations	415,553	452,061
Other	662,052	600,284
<b>Total other income</b>	<b>1,077,605</b>	<b>1,052,345</b>
<b>Total revenue and other income</b>	<b>61,814,648</b>	<b>51,220,207</b>

## NOTE 3: OPERATING EXPENSES

<b>Operating Expenses</b>		
Advertising	87,044	66,579
Cleaning and Laundry	358,324	309,525
Client Brokerage	4,418,751	3,849,665
Conferences, Travel and Training	889,296	558,416
Contractors, Consultants and Corporate	4,670,730	4,718,156
Depreciation	484,409	374,928
Foster Care	7,851,238	6,644,839
Insurance	1,500,402	854,051
Lease	1,709,739	1,428,455
Loss On Transfer/Sale Of Assets	3,108	1,974
Loss On Revaluation ACPT	49,486	-
Minor Replacements	201,281	222,097
Motor Vehicle Expenses	1,517,356	1,315,085
Postage, Printing and Photocopy	343,798	307,892
Professional Fees	265,739	116,774
Public Relations	76,036	139,174
Repairs and Maintenance	399,878	509,469
Utilities	756,778	726,044
Other Expenses	155,185	144,777
<b>Total operating expenses</b>	<b>25,738,578</b>	<b>22,287,900</b>

#### NOTE 4: EMPLOYEE EXPENSES

	2016	2015
	\$	\$
<b>Employee expenses</b>		
Employee Entitlements	382,065	56,247
Other Staff Expenses	384,859	272,779
Superannuation	2,483,062	2,216,042
Salaries And Wages	28,444,973	25,001,800
<b>Total employee expenses</b>	<b>31,694,959</b>	<b>27,546,868</b>

#### NOTE 5: CASH AND CASH EQUIVALENTS

Cash on hand	30,860	24,959
Cash at bank	496,838	145,453
Deposits at call	904,206	1,054,911
<b>Total cash and cash equivalents</b>	<b>1,431,904</b>	<b>1,225,323</b>

#### NOTE 6: TRADE AND OTHER RECEIVABLES

Trade and other debtors	2,427,075	1,299,080
Accrued Income	75,215	23,050
<b>Total trade and other receivables</b>	<b>2,502,290</b>	<b>1,322,130</b>

#### NOTE 7: OTHER FINANCIAL ASSETS

Anglicare Retirement Village Fund (1)	4,161,840	4,129,136
Anglicare Aged Care Divestment Fund (2)	523,335	1,013,270
<b>Total funds held with the ACPT</b>	<b>4,685,175</b>	<b>5,142,406</b>
Term Deposits (3)	411,460	70,004
<b>Total Other Financial Assets</b>	<b>5,096,635</b>	<b>5,212,410</b>

(1) The Anglicare Retirement Village Fund is invested in the ACPT as a unitised investment. These funds which are measured at fair value by the ACPT are available to Anglicare in meeting its cash flow requirements in relation to its Retirement Village portfolio.

(2) The Anglicare Aged Care Divestment Fund at reporting date is held in the ACPT as a unitised investment. The Anglicare Aged Care Facilities Sale Ordinance 2014 states that the application of the proceeds (\$1m) shall be determined by Bishop-in-Council on the advice of the Property Trust and the Board of Anglicare. As at 30 June 2016 \$500,000 has been transferred to the Diocese with the remaining \$500,000 transferred in August 2016. The funds are 100% held in term deposits.

(3) Term deposits are held with the Anglican Investment and Development Fund and have original terms to maturity of between 3 months and 2 years.

#### NOTE 8: OTHER

Prepayments	324,992	175,631
<b>Total other current assets</b>	<b>324,992</b>	<b>175,631</b>

**NOTE 9: PROPERTY, PLANT AND EQUIPMENT – AT COST**

	2016	2015
	\$	\$
Land and buildings - at cost	3,741,169	3,706,018
Less accumulated depreciation	(287,959)	(230,987)
	<u>3,453,210</u>	<u>3,475,031</u>
Computer equipment - at cost	1,043,053	866,279
Less accumulated depreciation	(1,012,475)	(853,172)
	<u>30,578</u>	<u>13,107</u>
Fire & protection - at cost	35,797	35,797
Less accumulated depreciation	(29,755)	(29,361)
	<u>6,042</u>	<u>6,436</u>
Fixtures, fittings & furniture - at cost	1,035,897	885,512
Less accumulated depreciation	(876,663)	(712,325)
	<u>159,234</u>	<u>173,187</u>
Landscaping - at cost	72,743	48,025
Less accumulated depreciation	(71,193) -	46,444
	<u>1,550</u>	<u>1,581</u>
Other Assets	183,466	269,150
Less accumulated depreciation	-	-
	<u>183,466</u>	<u>269,150</u>
Plant and equipment - at cost	642,773	605,392
Less accumulated depreciation	(576,220)	(524,037)
	<u>66,553</u>	<u>81,355</u>
<b>Total property, plant and equipment</b>	<b><u>3,900,633</u></b>	<b><u>4,019,847</u></b>

Refer to Note 20 for a reconciliation of the movements in property, plant and equipment.

**NOTE 10: VALUATION OF LAND AND BUILDINGS**

Land and buildings held by Anglicare, excluding investment properties (retirement villages), have been valued by independent valuers during the 3 years prior to balance date. The valuation of land and buildings was greater than the carrying value so no adjustment is required, or has been made to the values in the financial statements which continue to be held at cost.

## NOTE 11: ACPT FUNDS

	2016	2015
	\$	\$
Trust assets held by ACPT	1,918,496	1,967,983

The trust moneys include bequests which are held in the name of and administered by the Property Trust in the form of cash and equities. The net income earned from the bequests is included in Note 2 Revenue as part of 'Interest received'. The trust moneys can only be applied by Anglicare in accordance with the requirements of each trust and then only with the approval of the Property Trust. For this reason, they have been transferred to a reserve entitled 'Anglican Church Property Trust'.

## NOTE 12: INVESTMENT PROPERTY

	2016	2015
	\$	\$
(a) Fair value	55,090,000	50,995,000
(b) Movements in fair values		
Balance at the beginning of the year	50,995,000	50,130,750
Additions	269,909	480,048
Gain on revaluation	3,825,091	384,202
<b>Balance at end of the year</b>	<b>55,090,000</b>	<b>50,995,000</b>

Anglicare's investment properties consist of three retirement village properties in Australia.

As at 30 June 2016, the fair values of the properties are based on valuations performed by Knight Frank and Douglas Walker & Associates, accredited independent valuers. As at 30 June 2015, the fair values of the properties were based on valuations performed by Opteon Property Group and Douglas Walker & Associates, accredited independent valuers. The significant inputs and assumptions are developed in close consultation with management. The fair value of the investment properties was determined using the direct comparison approach. The valuer determined fair value of the land and buildings by reference to market-based evidence (Level 3 inputs on the fair value hierarchy).

## NOTE 13: TRADE AND OTHER PAYABLES

	2016	2015
	\$	\$
<b>Current</b>		
Waiting list deposits	15,100	15,200
Creditors and accruals	5,854,742	4,023,811
Income in advance	1,311,692	1,623,496
Licences to occupy (i)	39,847,524	37,807,909
<b>(a) Total current trade and other payables</b>	<b>47,029,058</b>	<b>43,470,416</b>
<b>Non current</b>		
Other long term payables (ii)	57,938	52,334
<b>(b) Total non current trade and other payables</b>	<b>57,938</b>	<b>52,334</b>

(i) Retirement living residents generally pay Anglicare an amount equivalent to the value of the unit/villa in exchange for a lease to live in the unit and access community facilities. The amount paid is recorded as a licence to occupy liability. During the resident's tenure Anglicare earns Deferred Management Fees (DMF) which are calculated based on the individual resident contract. Licences to occupy are recorded as current liabilities as Anglicare does not have an unconditional right to defer settlement of the liabilities for at least 12 months after balance date.

(ii) Other long term payables represents the balance of the Retirement Village's Long Term Maintenance Fund as at balance date.

## NOTE 14: INTEREST BEARING LIABILITIES

Anglicare does not hold any loans or commercial bills. Anglicare has bank overdraft facilities totaling \$650,000 which are subject to annual review and are unused as at 30 June 2016.

## NOTE 15: PROVISIONS

<b>Current</b>		
Provision for annual leave	1,670,855	1,628,518
Provision for long service leave	650,303	653,239
Provision for parental leave	170,488	-
Provision for aged care costs	33,019	69,405
<b>(a) Total current provisions</b>	<b>2,524,665</b>	<b>2,351,162</b>
<b>Non current</b>		
Provision for long service leave	689,105	516,929
<b>(b) Total non current provisions</b>	<b>689,105</b>	<b>516,929</b>

The provision for aged care costs was estimated based on anticipated costs arising from divested operations. The current balance represents liabilities related to the aged care facilities including waiting list deposits which remain with Anglicare and an allowance for some remaining costs related to the divestment.

Following a management decision the provision for parental leave was implemented in the 2016 financial year.

## NOTE 16: RELATED PARTY DISCLOSURES

### Key management personnel

Key management personnel is defined by AASB 124 *Related Party Disclosures* as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the entity.

The directors of the Board did not receive or become entitled to receive any remuneration in respect of the management of the organisation in the 2016 and 2015 financial years.

The aggregate remuneration paid to key management personnel during the financial year is as follows:

	2016 \$	2015 \$
Key management personnel compensation	926,582	934,128

This compensation includes amounts paid directly to employees of the entity, structural changes including redundancy payments and amounts paid to the Anglican Diocesan Services in relation to the services of key management personnel.

### Loans with key management personnel

There were no loans provided to or from key management personnel during the financial year and there were no loans outstanding at the end of the financial year.

### Other related parties

During the year Anglicare carried out transactions with other Diocese entities as follows:

	2016	2015
Fees paid to Anglican Diocesan Services for corporate services and fleet management	\$4,902,427	\$4,567,932
Bank charges paid to Anglican Investment & Development Fund	\$264	\$264
Interest received on deposits with the Anglican Investment & Development Fund	\$42,413	\$81,844
Transfer of proceeds from aged care divestment to the Anglican Diocese of Canberra & Goulburn	\$500,000	-

## NOTE 17: OPERATING LEASE COMMITMENTS

	2016	2015
	\$	\$
Aggregate amounts contracted for at balance date but not recognised as liabilities, payable:		
Not later than one year	400,240	525,417
Later than one year but not later than five years	620,166	773,665
Later than five years	-	48,075
	<b>1,020,406</b>	<b>1,347,157</b>

Operating leases relate principally to properties with lease terms of between 1 and 5 years, with some options to extend for a further 2 to 3 years.

## NOTE 18: CONTINGENT LIABILITIES

For the period 1 July 2013 to 30 June 2017, Anglicare entered into a Claims Experience Discount arrangement with respect to its Workers' Compensation Insurance. A contingent liability exists because the discounted amount of the annual premium will need to be paid if claims exceed agreed thresholds for that year. The discount amount per policy period, which may become payable is:

Policy year	Discount amount
2013-2015	\$8,434
2015-2017	\$104,743

## NOTE 19: EVENTS AFTER THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of Anglicare or the results of those operations in subsequent financial years.

# **NOTE 20: PROPERTY, PLANT AND EQUIPMENT AT COST – MOVEMENTS IN CARRYING AMOUNTS**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year were as follows:

	Land & Buildings	Plant & Equipment	Fixtures, Fittings & Furniture	Landscaping	Computer Equipment	Fire Protection	Development Costs	Other Assets	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 30 June 2015</b>	3,475,032	81,354	173,186	1,582	13,107	6,436	39,818	229,332	4,019,847
Additions	35,150	59,339	155,776	24,717	179,003	-	-	-	453,985
Disposals	-	(21,958)	(5,391)	-	(2,229)	-	-	-	(29,578)
Depreciation Expense	(56,972)	(52,182)	(164,337)	(24,749)	(159,303)	(394)	(39,818)	(45,867)	(543,622)
<b>Carrying amount at 30 June 2016</b>	<b>3,453,210</b>	<b>66,553</b>	<b>159,234</b>	<b>1,550</b>	<b>30,578</b>	<b>6,042</b>	<b>-</b>	<b>183,466</b>	<b>3,900,633</b>