

ANGLICARE NSW SOUTH, NSW WEST & ACT

General Purpose Financial Statements

for the Financial Year Ended

30 June 2017

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REPORT BY MEMBERS OF THE BOARD FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

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 2017:

Names of members of the Board

The names of the members of the Board of Anglicare (the Board) who have been in office during the financial year ended 30 June 2017, and up to the date of this report, are as follows:

Ms Lynette Glendinning (appointed 17 April 2015) (Presiding Member)
Professor Ingrid Moses (appointed 10 December 2010, term of appointment expired 10 December 2016) (Presiding Member)
Mr John Lawson (appointed 4 February 2011, term of appointment expired 4 February 2017)
Ms Sue West (appointed 14 October 2011)
Mr Stephen Jagers (appointed December 2013, term of appointment expired 6 December 2016)
Dr Bill Anscombe (appointed April 2014)
Ms Jocelyn Martin (appointed 8 October 2014)
The Rev'd Canon Margaret Campbell (appointed 17 April 2015)
Ms Alexandra Spark (appointed 2 December 2016)
Dr Dawn Casey (appointed 25 February 2017)

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 financial year ended 30 June 2017 was \$1,707,877 (2016:\$1,436,701) based on revenues of \$66,719,020 (2016: \$61,814,648) and expenses of \$65,011,143 (2016: \$60,377,947). The surplus for the year ended 30 June 2017 included revenues of \$2,560,978 (2016: \$3,825,091) and expenses of \$2,007,065 (2016: \$2,444,410) relating to the revaluation of investment properties and the related licences to occupy liability.

STATEMENT BY MEMBERS OF THE BOARD FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

In the opinion of the members of the Board:

The financial statements set out in the following pages are drawn up so as to give a true and fair view of the entity's financial position as at 30 June 2017 and of its financial performance 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;

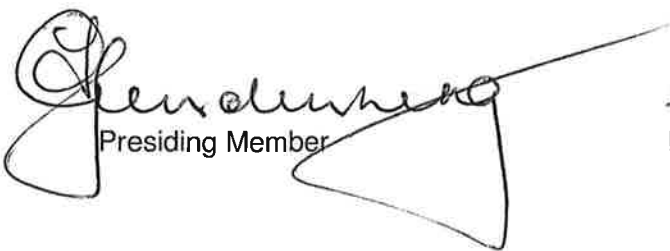
No other matters or circumstances have arisen since the end of the financial year that may significantly affect the operations of Anglicare, the result of those operations or the state of affairs of Anglicare in subsequent financial years;

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 31st day of October 2017 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

Report on the Financial Report

Opinion

We have audited the financial report of Anglicare NSW South, NSW West & ACT (the "Entity"), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the board.

In our opinion, the accompanying financial report of the Entity is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a) giving a true and fair view of the Entity's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the report by the members of the board, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Building a better
working world

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We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst + Young

Ernst & Young

Ben Tansley

Ben Tansley
Partner
Canberra
31 October 2017

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2017

| | | 2017 | 2016 |
|--|------|------------------|------------------|
| | Note | \$ | \$ |
| Revenue | 2 | 63,362,316 | 56,911,952 |
| Gain on revaluation of investment property | 2 | 2,560,978 | 3,825,091 |
| Other income | 2 | 792,600 | 1,077,605 |
| Gain on sale of assets | 2 | 3,126 | - |
| Operating expenses | 3 | 28,578,335 | 25,738,578 |
| Loss on remeasurement of licences to occupy | | 2,007,065 | 2,444,410 |
| Transfer of proceeds from aged care divestment | 7 | 500,000 | 500,000 |
| Employee expenses | 4 | 33,925,743 | 31,694,959 |
| Surplus | | 1,707,877 | 1,436,701 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | 1,707,877 | 1,436,701 |

STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

| | Note | 2017 \$ | 2016 \$ |
|--------------------------------------|-------|-------------------|-------------------|
| Current Assets | | | |
| Cash and cash equivalents | 5 | 1,185,605 | 1,431,904 |
| Trade and other receivables | 6 | 1,314,706 | 2,502,290 |
| Other financial assets | 7 | 6,133,126 | 5,096,635 |
| Other | 8 | 232,064 | 324,992 |
| Total Current Assets | | 8,865,501 | 9,355,821 |
| Non-Current Assets | | | |
| Property, plant and equipment | 9,10 | 3,666,316 | 3,900,633 |
| ACPT funds | 11 | 2,100,134 | 1,918,496 |
| Investment property | 12 | 58,105,214 | 55,090,000 |
| Total Non Current Assets | | 63,871,664 | 60,909,129 |
| Total Assets | | 72,737,165 | 70,264,950 |
| Current Liabilities | | | |
| Payables | 13(a) | 47,824,889 | 47,029,058 |
| Provisions | 15(a) | 2,409,644 | 2,524,665 |
| Total Current Liabilities | | 50,234,533 | 49,553,723 |
| Non-Current Liabilities | | | |
| Trade and other payables | 13(b) | 53,629 | 57,938 |
| Provisions | 15(b) | 776,942 | 689,105 |
| Total Non-Current Liabilities | | 830,571 | 747,043 |
| Total Liabilities | | 51,065,104 | 50,300,766 |
| Net Assets | | 21,672,061 | 19,964,184 |
| Equity | | | |
| Reserves | | 2,517,896 | 2,178,631 |
| Accumulated funds | | 19,154,165 | 17,785,553 |
| Total Equity | | 21,672,061 | 19,964,184 |

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2017

| | Accumulated funds | ACPT (Note 11) | Fundraising Reserve | Total equity |
|---|----------------------|-------------------|------------------------|-------------------|
| As at 1 July 2015 | 16,112,183 | 1,967,983 | 447,317 | 18,527,483 |
| Net surplus for the year | 1,436,701 | - | - | 1,436,701 |
| Total other comprehensive income for the year | - | - | - | - |
| Transfer to reserves | 236,669 | (49,487) | (187,182) | - |
| Balance as at 30 June 2016 | 17,785,553 | 1,918,496 | 260,135 | 19,964,184 |
| Net surplus for the year | 1,707,877 | - | - | 1,707,877 |
| Transfer from reserves | (339,265) | 181,638 | 157,627 | - |
| Balance as at 30 June 2017 | 19,154,165 | 2,100,134 | 417,762 | 21,672,061 |

STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2017

| | 2017 | 2016 |
|--|--------------------|------------------|
| | \$ | \$ |
| Cash flow from operating activities | | |
| Receipts | 65,990,681 | 61,687,867 |
| Payments to suppliers and employees | (65,195,999) | (60,620,366) |
| Interest received | 520,042 | 67,326 |
| Net cash from operating activities | 1,314,724 | 1,134,827 |
| Cash flow from investing activities | | |
| Payments for property, plant and equipment | (251,450) | (424,408) |
| Payments for investment property | (454,236) | (269,909) |
| Acquisition of/receipts from investments | (1,218,129) | 165,262 |
| Reduction in/additions to long term maintenance fund | (4,309) | 5,604 |
| Net cash (used in) investing activities | (1,928,124) | (523,451) |
| Cash flow from financing activities | | |
| Inflows for licences to occupy | 4,553,600 | 4,728,200 |
| Outflows from licences to occupy | (4,186,499) | (5,132,995) |
| Net cash from/(used in) financing activities | 367,101 | (404,795) |
| Net (decrease in)/increase in cash held | (246,299) | 206,581 |
| Cash at 1 July | 1,431,904 | 1,225,323 |
| Cash at 30 June | 5 1,185,605 | 1,431,904 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

The financial statements represent the individual entity of Anglicare NSW South, NSW West & ACT for the financial year 1 July 2016 to 30 June 2017.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 \$41.4m as at 30 June 2017, the financial report has been prepared on a going concern basis. The net current liability is due to the licence to occupy liability of \$42.2m 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 year in which they are incurred.

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

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 as assets.

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

| Class of Asset | Depreciation Rates |
|--------------------------------|---------------------------|
| 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 (ACPT) 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 owing 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 recognised 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) 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.

NOTE 2: REVENUE

| | 2017 | 2016 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Revenue | | |
| Fees | 9,935,868 | 7,461,956 |
| Interest received | 446,127 | 119,191 |
| Maintenance fees | 722,803 | 693,758 |
| Deferred management fees | 1,408,919 | 1,174,467 |
| Rent | 21,465 | 19,742 |
| Operational grants | 45,458,816 | 44,851,093 |
| Out of home care exception support | 4,155,286 | 1,782,629 |
| Sales | 1,213,032 | 808,816 |
| Total revenue | 63,362,316 | 56,911,952 |
| Gain on revaluation of investment property | 2,560,978 | 3,825,091 |
| Total gain on revaluation of investment property | 2,560,978 | 3,825,091 |
| Gain on sale of assets | 3,126 | - |
| Total gain on sale of assets | 3,126 | - |
| Other income | | |
| Appeals and donations | 424,133 | 415,553 |
| Other | 368,467 | 662,052 |
| Total other income | 792,600 | 1,077,605 |
| Total revenue and other income | 66,719,020 | 61,814,648 |

NOTE 3: OPERATING EXPENSES

| Operating Expenses | | |
|---|-------------------|-------------------|
| Advertising | 160,251 | 87,044 |
| Cleaning and laundry | 364,032 | 358,324 |
| Client brokerage | 5,104,307 | 4,418,751 |
| Conferences, travel and training | 1,089,609 | 889,296 |
| Contractors, consultants and corporate expenses | 5,227,720 | 4,670,730 |
| Depreciation | 508,203 | 484,409 |
| Foster care | 8,185,141 | 7,851,238 |
| Insurance | 1,483,600 | 1,500,402 |
| Lease | 1,819,739 | 1,709,739 |
| Loss on transfer/sale of assets | 3,564 | 3,108 |
| Loss on revaluation ACPT | - | 49,486 |
| Minor replacements | 412,269 | 201,281 |
| Motor vehicle expenses | 1,777,272 | 1,517,356 |
| Postage, printing and photocopy | 463,600 | 343,798 |
| Professional fees | 494,288 | 265,739 |
| Public relations | 63,331 | 76,036 |
| Repairs and maintenance | 509,489 | 399,878 |
| Utilities | 814,435 | 756,778 |
| Other expenses | 97,485 | 155,185 |
| Total operating expenses | 28,578,335 | 25,738,578 |

NOTE 4: EMPLOYEE EXPENSES

| | 2017 | 2016 |
|--------------------------------|-------------------|-------------------|
| | \$ | \$ |
| Salaries And Wages | 30,913,842 | 28,827,038 |
| Other Staff Expenses | 328,650 | 384,859 |
| Superannuation | 2,683,251 | 2,483,062 |
| Total employee expenses | 33,925,743 | 31,694,959 |

NOTE 5: CASH AND CASH EQUIVALENTS

| | | |
|--|------------------|------------------|
| Cash on hand | 31,429 | 30,860 |
| Cash at bank | 594,050 | 496,838 |
| Deposits at call | 560,126 | 904,206 |
| Total cash and cash equivalents | 1,185,605 | 1,431,904 |

NOTE 6: TRADE AND OTHER RECEIVABLES

| | | |
|--|------------------|------------------|
| Trade and other debtors | 1,313,406 | 2,427,075 |
| Accrued Income | 1,300 | 75,215 |
| Total trade and other receivables | 1,314,706 | 2,502,290 |

NOTE 7: OTHER FINANCIAL ASSETS

| | | |
|---|------------------|------------------|
| Anglicare Retirement Village Fund (1) | 4,346,528 | 4,161,840 |
| Anglicare Aged Care Divestment Fund (2) | - | 523,335 |
| Total funds held with the ACPT | 4,346,528 | 4,685,175 |
| Term Deposits (3) | 1,786,598 | 411,460 |
| Total Other Financial Assets | 6,133,126 | 5,096,635 |

(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 was closed as at reporting date. During the 2017 financial year following a Bishop in Council resolution, Anglicare transferred the remaining \$500,000 (2016: \$500,000) of the proceeds from the aged care divestment to the Diocese.

(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 | 232,064 | 324,992 |
| Total other current assets | 232,064 | 324,992 |

NOTE 9: PROPERTY, PLANT AND EQUIPMENT – AT COST

| | 2017 | 2016 |
|--|-------------------------|-------------------------|
| | \$ | \$ |
| Land and buildings - at cost | 3,787,483 | 3,741,169 |
| Less accumulated depreciation | (356,096) | (287,959) |
| | <u>3,431,387</u> | <u>3,453,210</u> |
| Plant and equipment - at cost | 772,134 | 642,773 |
| Less accumulated depreciation | (709,804) | (576,220) |
| | <u>62,330</u> | <u>66,553</u> |
| Motor vehicles - at cost | 2,273 | - |
| Less accumulated depreciation | (301) | - |
| | <u>1,972</u> | <u>-</u> |
| Fixtures, fittings & furniture - at cost | 1,156,617 | 1,035,897 |
| Less accumulated depreciation | (1,015,751) | (876,663) |
| | <u>140,866</u> | <u>159,234</u> |
| Landscaping - at cost | 72,743 | 72,743 |
| Less accumulated depreciation | (71,225) | (71,193) |
| | <u>1,518</u> | <u>1,550</u> |
| Computer equipment - at cost | 1,179,301 | 1,043,053 |
| Less accumulated depreciation | (1,156,706) | (1,012,475) |
| | <u>22,595</u> | <u>30,578</u> |
| Fire & protection - at cost | 35,797 | 35,797 |
| Less accumulated depreciation | (30,149) | (29,755) |
| | <u>5,648</u> | <u>6,042</u> |
| Other Assets | - | 183,466 |
| Less accumulated depreciation | - | - |
| | <u>-</u> | <u>183,466</u> |
| Total property, plant and equipment | <u>3,666,316</u> | <u>3,900,633</u> |

Refer to Note 19 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 financial year 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

| | 2017 | 2016 |
|---------------------------|-----------|-----------|
| | \$ | \$ |
| Trust assets held by ACPT | 2,100,134 | 1,918,496 |

The trust moneys include bequests which are held in the name of and administered by the ACPT 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 ACPT. For this reason, they have been transferred to a reserve entitled 'ACPT'.

NOTE 12: INVESTMENT PROPERTY

| | 2017 | 2016 |
|--------------------------------------|-------------------|-------------------|
| | \$ | \$ |
| (a) Fair value | 58,105,214 | 55,090,000 |
| (b) Movements in fair values | | |
| Balance at the beginning of the year | 55,090,000 | 50,995,000 |
| Additions | 454,236 | 269,909 |
| Gain on revaluation | 2,560,978 | 3,825,091 |
| Balance at end of the year | 58,105,214 | 55,090,000 |

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

As at 30 June 2017, the fair values of the properties are based on valuations performed by Knight Frank 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

| | 2017 | 2016 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Current | | |
| Waiting list deposits | 15,100 | 15,100 |
| Creditors and accruals | 5,494,411 | 5,054,742 |
| Income in advance | 93,688 | 1,311,692 |
| Licences to occupy (i) | 42,221,690 | 39,847,524 |
| (a) Total current trade and other payables | 47,824,889 | 47,029,058 |
| Non current | | |
| Other long term payables (ii) | 53,629 | 57,938 |
| (b) Total non current trade and other payables | 53,629 | 57,938 |

(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 2017.

NOTE 15: PROVISIONS

| | | |
|---|------------------|------------------|
| Current | | |
| Provision for annual leave | 1,658,208 | 1,670,855 |
| Provision for long service leave | 629,424 | 650,303 |
| Provision for parental leave | 90,377 | 170,488 |
| Provision for aged care costs | 31,635 | 33,019 |
| (a) Total current provisions | 2,409,644 | 2,524,665 |
| Non current | | |
| Provision for long service leave | 776,942 | 689,105 |
| (b) Total non current provisions | 776,942 | 689,105 |

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 2017 and 2016 financial years.

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

| | 2017 \$ | 2016 \$ |
|---------------------------------------|------------|------------|
| Key management personnel compensation | 981,570 | 926,582 |

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

| | 2017 \$ | 2016 \$ |
|---|------------|------------|
| Fees paid to Anglican Diocesan Services for corporate services and fleet management | 5,188,518 | 4,902,427 |
| Bank charges paid to Anglican Investment & Development Fund | 44 | 264 |
| Interest received on deposits with the Anglican Investment & Development Fund | 82,326 | 42,413 |
| Transfer of proceeds from aged care divestment to the Anglican Diocese of Canberra & Goulburn | 500,000 | 500,000 |
| Diocesan Contribution paid to the Anglican Diocese of Canberra & Goulburn | 50,000 | - |

NOTE 17: OPERATING LEASE COMMITMENTS

| | <u>2017</u> | <u>2016</u> |
|--|------------------|------------------|
| | \$ | \$ |
| Aggregate amounts contracted for at balance date but not recognised as liabilities, payable: | | |
| Not later than one year | 441,558 | 400,240 |
| Later than one year but not later than five years | 624,449 | 620,166 |
| Later than five years | - | - |
| | <u>1,066,007</u> | <u>1,020,406</u> |

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: 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 19: 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 | Motor Vehicles | Fixtures, Fittings & Furniture | Landscaping | Computer Equipment | Fire Protection | Other Assets | Total |
|--|------------------|-------------------|----------------|--------------------------------|--------------|--------------------|-----------------|--------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 30 June 2016 | 3,453,210 | 66,553 | - | 159,234 | 1,550 | 30,578 | 6,042 | 183,466 | 3,900,633 |
| Additions | 46,314 | 137,550 | 2,273 | 132,205 | - | 142,574 | - | - | 460,915 |
| Disposals | - | (8,189) | - | (11,485) | - | (6,325) | - | (183,466) | (209,465) |
| Depreciation Expense | (68,137) | (133,584) | (301) | (139,088) | (32) | (144,232) | (394) | - | (485,767) |
| Carrying amount at 30 June 2017 | 3,431,387 | 62,330 | 1,972 | 140,866 | 1,518 | 22,595 | 5,648 | - | 3,666,316 |

