

# ANGLICARE NSW SOUTH, NSW WEST & ACT

## *General Purpose Financial Statements*

*for the Financial Year Ended*

*30 June 2018*

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# REPORT BY MEMBERS OF THE BOARD FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

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 2018:

## **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 2018, and up to the date of this report, are as follows:

Ms Lynette Glendinning (Presiding Member) appointed 17 April 2015

Mr Greg Mills (Deputy Presiding Member) appointed 11 August 2017; appointed Deputy Presiding Member 16 February 2018

Ms Sue West (appointed 14 October 2011, term of appointment expired 14 October 2017)

Dr Bill Anscombe (appointed April 2014, reappointed 4 April 2017)

Ms Jocelyn Martin (appointed 8 October 2014, reappointed 8 August 2017)

The Rev'd Canon Margaret Campbell (appointed 17 April 2015, reappointed 17 April 2018)

Ms Alexandra Spark (appointed 2 December 2016)

Mr Jeremy Halcrow (appointed 13 April 2018)

Rt Rev'd Dr Matt Brain (appointed 17 October 2017, resigned 21 January 2018)

Dr Dawn Casey (appointed 25 February 2017, resigned 30 November 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 2018 was \$756,042 (2017: \$1,707,877) based on revenues of \$66,861,606 (2017: \$66,719,020) and expenses of \$66,105,564 (2017: \$65,011,143). The surplus for the year ended 30 June 2018 included revenues of \$1,302,123 (2017: \$2,560,978) and expenses of \$1,122,088 (2017: \$2,007,065) 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 2018

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 2018 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 2018 in accordance with a resolution of the Board.



Presiding Member



Board Member

## **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 2018, 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 2018 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards - Reduced Disclosure Requirements 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.

## Responsibilities of the Board for the Financial Report

The Board of the Entity is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control as the Board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



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 2018

# STATEMENT OF COMPREHENSIVE INCOME

*For the financial year ended 30 June 2018*

		2018	2017
	Note	\$	\$
Revenue	2	64,102,277	63,362,316
Gain on revaluation of investment property	2	1,302,123	2,560,978
Other income	2	1,457,206	792,600
Gain on sale of assets	2	-	3,126
Operating expenses	3	(29,827,507)	(28,578,335)
Loss on remeasurement of licences to occupy		(1,122,088)	(2,007,065)
Transfer of proceeds from aged care divestment	16	-	(500,000)
Employee expenses	4	(35,155,969)	(33,925,743)
<b>Surplus</b>		<b>756,042</b>	<b>1,707,877</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>756,042</b>	<b>1,707,877</b>

# STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Note	2018 \$	2017 \$
<b>Current Assets</b>			
Cash and cash equivalents	5	257,961	1,185,605
Trade and other receivables	6	2,072,090	1,314,706
Other financial assets	7	4,890,624	6,133,126
Prepayments	8	204,234	232,064
<b>Total Current Assets</b>		<b>7,424,909</b>	<b>8,865,501</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	9,10	3,618,842	3,666,316
ACPT funds	11	2,274,455	2,100,134
Investment property	12	59,827,247	58,105,214
<b>Total Non Current Assets</b>		<b>65,720,544</b>	<b>63,871,664</b>
<b>Total Assets</b>		<b>73,145,453</b>	<b>72,737,165</b>
<b>Current Liabilities</b>			
Trade and other payables	13(a)	47,107,345	47,824,889
Provisions	15(a)	2,688,299	2,409,644
<b>Total Current Liabilities</b>		<b>49,795,644</b>	<b>50,234,533</b>
<b>Non-Current Liabilities</b>			
Trade and other payables	13(b)	69,816	53,629
Provisions	15(b)	851,890	776,942
<b>Total Non-Current Liabilities</b>		<b>921,706</b>	<b>830,571</b>
<b>Total Liabilities</b>		<b>50,717,350</b>	<b>51,065,104</b>
<b>Net Assets</b>		<b>22,428,103</b>	<b>21,672,061</b>
<b>Equity</b>			
Reserves		2,583,103	2,517,896
Accumulated funds		19,845,000	19,154,165
<b>Total Equity</b>		<b>22,428,103</b>	<b>21,672,061</b>



# STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2018

	Accumulated funds	ACPT (Note 11)	Fundraising Reserve	Total equity
<b>As at 1 July 2016</b>	17,785,553	1,918,496	260,135	19,964,184
Net surplus for the year	1,707,877	-	-	1,707,877
Transfer to reserves	(339,265)	181,638	157,627	-
<b>Balance as at 30 June 2017</b>	<b>19,154,165</b>	<b>2,100,134</b>	<b>417,762</b>	<b>21,672,061</b>
Net surplus for the year	756,042	-	-	756,042
Transfer from reserves	(65,207)	174,321	(109,114)	-
<b>Balance as at 30 June 2018</b>	<b>19,845,000</b>	<b>2,274,455</b>	<b>308,648</b>	<b>22,428,103</b>

# STATEMENT OF CASH FLOWS

*For the financial year ended 30 June 2018*

	Note	2018 \$	2017 \$
<b>Cash flow from operating activities</b>			
Receipts		71,752,492	65,990,681
Payments to suppliers and employees		(69,237,408)	(65,195,999)
Interest received		230,987	520,042
Net cash from operating activities		<u>2,746,071</u>	<u>1,314,724</u>
<b>Cash flow from investing activities</b>			
Payments for property, plant and equipment		(385,277)	(251,450)
Payments for investment property		(419,910)	(454,236)
Acquisition of/receipts from investments		1,068,181	(1,218,129)
Reduction in/additions to long term maintenance fund		16,187	(4,309)
Net cash from/(used in) investing activities		<u>279,181</u>	<u>(1,928,124)</u>
<b>Cash flow from financing activities</b>			
Inflows for licences to occupy		2,725,650	4,553,600
Outflows from licences to occupy		(6,678,546)	(4,186,499)
Net cash from/(used in) financing activities		<u>(3,952,896)</u>	<u>367,101</u>
Net (decrease in)/increase in cash held		(927,644)	(246,299)
Cash at 1 July		<u>1,185,605</u>	<u>1,431,904</u>
<b>Cash at 30 June</b>	5	<b>257,961</b>	<b>1,185,605</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

The financial statements represent the individual entity of Anglicare NSW South, NSW West & ACT for the financial year 1 July 2017 to 30 June 2018.

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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### Statement of Compliance and 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.

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, and are consistent with those of the previous year.

### Going Concern

Notwithstanding the net current liability position of \$42.4m as at 30 June 2018, the financial report has been prepared on a going concern basis. The net current liability is due to the licence to occupy liability of \$39.4m 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. The Members of the Board Directors have reviewed Anglicare's financial position and cash flow forecasts for the next twelve months, which shows that Anglicare will be able to meet its debts as and when they fall due and payable and are, therefore, of the opinion that the use of the going concern basis of accounting is appropriate.

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

### New accounting standards and interpretations

There are no changes to accounting policies and disclosures which had a material impact on the financial reports of the Anglicare for the financial year ending 30 June 2018.

#### *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 under a perpetual type lease for the properties to be utilised for Anglicare's operations.

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 (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 child care fees and NDIS client fees.

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. 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.

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## NOTE 2: REVENUE

	2018	2017
	\$	\$
<b>Revenue</b>		
Fees	12,524,095	9,935,868
Interest received	555,213	446,127
Maintenance fees	737,467	722,803
Deferred management fees	1,462,354	1,408,919
Rent	12,671	21,465
Operational grants	46,398,415	45,458,816
Out of home care exception support	1,065,440	4,155,286
Sales	1,346,622	1,213,032
<b>Total revenue</b>	<b>64,102,277</b>	<b>63,362,316</b>
Gain on revaluation of investment property	1,302,123	2,560,978
<b>Total gain on revaluation of investment property</b>	<b>1,302,123</b>	<b>2,560,978</b>
Gain on sale of assets	-	3,126
<b>Total gain on sale of assets</b>	<b>-</b>	<b>3,126</b>
<b>Other income</b>		
Appeals and donations	495,313	424,133
Other	961,893	368,467
<b>Total other income</b>	<b>1,457,206</b>	<b>792,600</b>
<b>Total revenue and other income</b>	<b>66,861,606</b>	<b>66,719,020</b>

## NOTE 3: OPERATING EXPENSES

<b>Operating Expenses</b>		
Advertising	115,439	160,251
Cleaning and laundry	388,862	364,032
Client brokerage	5,414,169	5,104,307
Conferences, travel and training	1,276,927	1,089,609
Contractors, consultants and corporate expenses	5,372,510	5,227,720
Depreciation	432,751	508,203
Foster care	8,381,667	8,185,141
Insurance	2,000,230	1,483,600
Lease	1,840,761	1,819,739
Loss on transfer/sale of assets	-	3,564
Minor replacements	244,121	412,269
Motor vehicle expenses	2,008,024	1,777,272
Postage, printing and photocopy	367,464	463,600
Professional fees	263,983	494,288
Public relations	80,286	63,331
Repairs and maintenance	548,435	509,489
Utilities	861,970	814,435
Other expenses	229,908	97,485
<b>Total operating expenses</b>	<b>29,827,507</b>	<b>28,578,335</b>

**NOTE 4: EMPLOYEE EXPENSES**

	2018	2017
	\$	\$
Salaries And Wages	32,035,785	30,913,842
Other Staff Expenses	332,387	328,650
Superannuation	2,787,797	2,683,251
<b>Total employee expenses</b>	<b>35,155,969</b>	<b>33,925,743</b>

**NOTE 5: CASH AND CASH EQUIVALENTS**

Cash on hand	30,170	31,429
Cash at bank	164,122	594,050
Deposits at call	63,669	560,126
<b>Total cash and cash equivalents</b>	<b>257,961</b>	<b>1,185,605</b>

**NOTE 6: TRADE AND OTHER RECEIVABLES**

Trade and other debtors	1,606,234	1,313,406
Accrued Income	465,856	1,300
<b>Total trade and other receivables</b>	<b>2,072,090</b>	<b>1,314,706</b>

**NOTE 7: OTHER FINANCIAL ASSETS**

Anglicare Retirement Village Fund (1)	3,960,934	4,346,528
<b>Total funds held with the ACPT</b>	<b>3,960,934</b>	<b>4,346,528</b>
Term Deposits (2)	929,690	1,786,598
<b>Total Other Financial Assets</b>	<b>4,890,624</b>	<b>6,133,126</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) 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: PREPAYMENTS**

Rental prepayments	142,021	134,564
Insurance prepayments	59,849	66,436
Other prepayments	2,364	31,064
<b>Total prepayments</b>	<b>204,234</b>	<b>232,064</b>

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

	2018	2017
	\$	\$
Land and buildings - at cost	3,817,937	3,787,483
Less accumulated depreciation	(400,626)	(356,096)
	<u>3,417,311</u>	<u>3,431,387</u>
Plant and equipment - at cost	784,469	772,134
Less accumulated depreciation	(736,772)	(709,804)
	<u>47,697</u>	<u>62,330</u>
Motor vehicles - at cost	2,273	2,273
Less accumulated depreciation	(698)	(301)
	<u>1,575</u>	<u>1,972</u>
Fixtures, fittings & furniture - at cost	1,320,323	1,156,617
Less accumulated depreciation	(1,201,825)	(1,015,751)
	<u>118,498</u>	<u>140,866</u>
Landscaping - at cost	72,743	72,743
Less accumulated depreciation	(71,257)	(71,225)
	<u>1,486</u>	<u>1,518</u>
Computer equipment - at cost	1,351,792	1,179,301
Less accumulated depreciation	(1,324,770)	(1,156,706)
	<u>27,022</u>	<u>22,595</u>
Fire & protection - at cost	35,797	35,797
Less accumulated depreciation	(30,544)	(30,149)
	<u>5,253</u>	<u>5,648</u>
<b>Total property, plant and equipment</b>	<b><u>3,618,842</u></b>	<b><u>3,666,316</u></b>

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

	2018	2017
	\$	\$
Trust assets held by ACPT	2,274,455	2,100,134

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

<b>(a) Fair value</b>	59,827,247	58,105,214
<b>(b) Movements in fair values</b>		
Balance at the beginning of the year	58,105,214	55,090,000
Additions	419,910	454,236
Gain on revaluation	1,302,123	2,560,978
<b>Balance at end of the year</b>	<b>59,827,247</b>	<b>58,105,214</b>

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

As at 30 June 2018, 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

	2018 \$	2017 \$
<b>Current</b>		
Waiting list deposits	14,900	15,100
Creditors and accruals	6,257,692	5,494,411
Income in advance	1,443,870	93,688
Licences to occupy (i)	39,390,883	42,221,690
<b>(a) Total current trade and other payables</b>	<b>47,107,345</b>	<b>47,824,889</b>
<b>Non current</b>		
Other long term payables (ii)	69,816	53,629
<b>(b) Total non current trade and other payables</b>	<b>69,816</b>	<b>53,629</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 2018.

## NOTE 15: PROVISIONS

<b>Current</b>		
Provision for annual leave	1,926,500	1,658,208
Provision for long service leave	731,964	629,424
Provision for parental leave	-	90,377
Provision for aged care costs	29,835	31,635
<b>(a) Total current provisions</b>	<b>2,688,299</b>	<b>2,409,644</b>
<b>Non current</b>		
Provision for long service leave	851,890	776,942
<b>(b) Total non current provisions</b>	<b>851,890</b>	<b>776,942</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.

There was a management decision to remove the provision for parental leave as at financial year end.

## 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 2018 and 2017 financial years.

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

	2018 \$	2017 \$
Key management personnel compensation	1,305,954	981,570

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:

	2018 \$	2017 \$
Fees paid to Anglican Diocesan Services for corporate services and fleet management	5,496,689	5,188,518
Bank charges paid to Anglican Investment & Development Fund	9,325	44
Interest received from the Anglican Church Property Trust	458,476	366,327
Interest received on deposits with the Anglican Investment & Development Fund	96,527	82,326
Transfer of proceeds from aged care divestment to the Anglican Diocese of Canberra & Goulburn	-	500,000
Diocesan Contribution paid to the Anglican Diocese of Canberra & Goulburn	55,000	50,000

**NOTE 17: OPERATING LEASE COMMITMENTS**

	2018	2017
	\$	\$
Aggregate amounts contracted for at balance date but not recognised as liabilities, payable:		
Not later than one year	441,342	441,558
Later than one year but not later than five years	923,381	624,449
Later than five years	-	-
	<b>1,364,723</b>	<b>1,066,007</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: 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	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 30 June 2017</b>	3,431,387	62,330	1,972	140,866	1,518	22,595	5,648	3,666,316
Additions	30,454	21,502	-	159,045	-	174,276	-	385,277
Depreciation Expense	(44,530)	(36,135)	(397)	(181,413)	(32)	(169,849)	(395)	(432,751)
<b>Carrying amount at 30 June 2018</b>	<b>3,417,311</b>	<b>47,697</b>	<b>1,575</b>	<b>118,498</b>	<b>1,486</b>	<b>27,022</b>	<b>5,253</b>	<b>3,618,842</b>