

Uniting Aged Care Victoria
and Tasmania
Annual Report
30 June 2012

Uniting Aged Care Vic & Tas

Board of Governance Report

Your members of the Board of Governance present their report on the entity for the financial year ended 30 June 2012.

Board of Governance

The name of the members in office at any time during the financial year and until the date of this report are as follows:

Dr Alan Wilkinson
 Rev Rob Brown
 Dr Cathy Balding
 Mr Joe Dicks
 Ms Karen Janiszewski
 Mrs Jill Linklater
 Ms Libby Pallot
 Mr Richard Price
 Mr Ian Sanders
 Mr Ken Tabart
 Rev Allan Thompson
 Rev Dr Peter Blackwood

Members of the Board of Governance have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activities of the entity during the financial year was the provision of aged care services. No significant change in the nature of these activities occurred during the year.

Entity's Short-term Objectives

The entity's short-term objectives are to :

- * Support older people to live independently in their own home;
- * Connect older people with programs and activities of interest in their communities;
- * Offer independent retirement living for older people downsizing their home and
- * Provide complex and residential care for those who need this level of support.

Entity's Long-term Objectives

The entity's long-term objectives are to :

- * Progressively build an integrated service system that makes it easy for older people to access the support they need, wherever and whenever it is needed;
- * Apply the principles of consumer-directed care to our services and approaches;
- * Develop services to maintain and restore lifestyles and wellbeing in older people;
- * Create age-friendly local communities; and
- * Provide quality speciality services in residential settings for people requiring high levels of care.

Board of Governance Report

Strategies

To achieve these objectives, the entity has adopted the following strategies:

- * Improving existing services - integrating our current services into regional groupings, ensuring compliance, improving quality and the client experiences of our services, and applying ongoing improvement processes across all services;
- * Developing our workforce - attracting new people to work in aged care, developing the skills and capabilities of current staff, building leadership throughout the organisation and creating an enabling and positive culture in our workforce;
- * Approaching all stakeholders as a contributor - promoting volunteering, educating communities about the benefits to their own health and well-being, and encouraging clients and communities to recognise and use their assets (or strengths);
- * Working in partnership - recognising that UAC cannot be everything to everybody, developing mutually beneficial arrangements with others who can add value to our system;
- * Advocating for better approaches - working with governments and regulators to make funding more responsive to real needs, piloting new approaches to delivering support, undertaking research to advance knowledge and standing up for vulnerable and disadvantaged older people in our communities;
- * Developing communities - building capacity in local communities to enable them to provide more receptive environments for older people, creating support networks and communities of interest and working with local communities in delivering appropriate services and resources for older people;
- * Providing resources to enable independence - providing information and self-help guides for chronic conditions, investigating and offering technology that enhances wellbeing or quality of life, and promoting rest-of-life planning (e.g. advanced medical directives, wills, assets, etc) for physical, emotional and financial security and well-being; and
- * Developing integrated specialty services for dementia and palliative care - in community and residential settings

Information on Board Members

Dr Alan Wilkinson

Chairperson

- Qualifications - Bachelor of Engineering, Bachelor of Arts (History & Politics), Doctor of Philosophy (International Relations), AICD Company Directors Course Diploma

- Dr Wilkinson is an ex officio member of all Board committees

Dr Cathy Balding

- Qualifications - PhD (Business Administration), Master of Business (Health Administration), Associate Diploma, Medical Record Administration

- Dr Balding is Chairperson of the Quality and Safety Committee

Mr Joe Dicks

- Qualifications - Bachelor of Commerce, Postgraduate Diploma in Accountancy, Chartered Accountant, Registered Auditor, Certified Fraud Examiner

- Mr Dicks is Chair of the Finance Committee and a member of the Audit & Risk Committee

Uniting Aged Care Vic & Tas

Board of Governance Report

Ms Karen Janiszewski

- Qualifications - Bachelor of Applied Science in Building Technology, Graduate Diploma in Property Development Management, Graduate Diploma in Project Management, AICD Company Directors Course Diploma

- Ms Janiszewski is Chair of the Property & Development Committee

Mrs Jill Linklater

- Qualifications - Graduate Diploma Health & Medical Law, Master of Health Administration, Emergency Community (Health) Planning Certificate Canada, Bachelor of Science in Nursing, member of Australian Institute of Company Directors

- Mrs Linklater is a member of the Quality & Safety Committee and Remuneration & Nominations Committee

Ms Libby Pallot

- Qualifications - Bachelor of Arts, Bachelor of Laws with Honours, AICD Company Directors Course Diploma

- Board member since 2006

- Ms Pallot is Chair of the Remuneration & Nominations Committee

Mr Richard Price

- Qualifications - Bachelor of Commerce UNSW

- Board member since 2007, resigned August 2012

- Mr Price is a member of the Finance Committee

Mr Ian Sanders

- Qualifications - Bachelor of Science (London), Master of Business Administration, member of Australian Institute of Company Directors

- Board member since August 2012

- Mr Sanders is a member of the Finance Committee

Mr Ken Tabart

- Qualifications - CP Eng, FIEAust, AICD Company Directors Course Diploma

- Board member since July 2004

- Mr Tabart was Chair of the Property & Development Committee from 2004-2010 and continues as a member

Rev Allan Thompson

- Qualifications - Bachelor of Arts, Bachelor of Divinity, AICD Company Directors Course Diploma

- Mr Thompson is a member of the Audit & Risk and Property & Development Committees

Rev Rob Brown

Synod General Secretary (ex officio)

- Qualifications - Master of Social Science (Development Studies), Bachelor of Arts, Bachelor of Theology (Hons), Diploma of Education and Diploma of Pastoral Studies

Uniting Aged Care Vic & Tas

Board of Governance Report

Rev Dr Peter Blackwood

Synod Associate General Secretary

- Qualifications - Diploma Teachers Guild (NSW), Bachelor of Arts, Bachelor of Divinity, Master of Ministry, Doctor of Ministry Studies

Meetings of Members

During the financial year 10 meetings of Board Members were held. Attendance by each Board Member was as follows -

	Board Meetings	
	Number eligible to attend	Number attended
Dr Alan Wilkinson	10	10
Dr Cathy Balding	10	8
Mr Joe Dicks	10	10
Ms Karen Janiszewski	10	9
Mrs Jill Linklater	10	8
Ms Libby Pallot	10	8
Mr Richard Price	10	7
Mr Ken Tabart	10	10
Rev Allan Thompson	10	9
Rev Rob Brown	5	4
Rev Dr Peter Blackwood	5	4

The entity is an unincorporated association operating as an agency of the Uniting Church in Australia to which the Uniting Church in Australia Property Trust (Victoria) and the Uniting Church in Australia Property Trust (Tas) hold legal title.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2012 has been received and can be found on page 7 of the financial report.

Signed in accordance with a resolution of the Board of Governance:



Dr Alan Wilkinson
Chairman



Mr Joe Dicks
Board Member

Dated this ^{27th} day of September 2012

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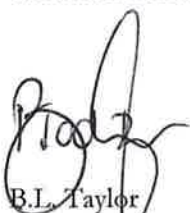
Auditor's Independence Declaration
To the Victorian & Tasmanian Synod of the Uniting Church in Australia

As lead auditor for the audit of Uniting Aged Care Victoria and Tasmania for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B.L. Taylor
Partner - Audit & Assurance

Melbourne, 27 September 2012

Uniting Aged Care Vic & Tas

Income Statement

for the year ended 30 June 2012

	Note	2012 \$	2011 \$
Revenue	2	134,364,032	123,009,626
Other Income	2	312,159	16,530,174
Care expenses		72,138,214	64,609,730
Hotel expenses		20,324,907	18,765,706
Administrative expenses		31,710,045	26,599,835
Finance costs		230,989	262,632
Other expenses		30,436,944	8,879,080
Surplus/(loss) before income tax		(20,164,909)	20,422,818
less:			
Income tax expense	1	-	-
Surplus/(loss) for the year		(20,164,909)	20,422,818

The accompanying notes form part of these financial statements.

Uniting Aged Care Vic & Tas

Statement of Comprehensive Income

for the year ended 30 June 2012

	Note	2012 \$	2011 \$
Surplus/(loss) for the year		(20,164,909)	20,422,818
Other comprehensive income:			
Available-for-sale financial assets			
- current year gains/(losses)		(4,924,402)	3,262,168
Other comprehensive income for the year, net of income tax		(4,924,402)	3,262,168
Total comprehensive income /(loss) for the year		(25,089,310)	23,684,986

The accompanying notes form part of these financial statements.

Uniting Aged Care Vic & Tas

Statement of Financial Position

as at 30 June 2012

	Note	2012 \$	2011 \$
Current assets			
Cash and cash equivalents	4	746,704	336,749
Trade and other receivables	5	9,715,093	12,756,171
Financial assets	6	85,967,267	75,173,335
Other current assets	7	1,095,429	2,680,351
Total current assets		97,524,493	90,946,608
Non-current assets			
Property, plant and equipment	8	151,801,860	171,019,377
Investment property	9	51,269,684	28,083,268
Intangible assets	10	30,482,910	53,772,296
Other non current assets		460,000	460,000
Total non-current assets		234,014,453	253,334,942
Total assets		331,538,946	344,281,549
Current liabilities			
Trade and other payables	11	8,073,061	11,044,820
Provisions	12	9,871,897	9,375,736
Resident ingoings	13	119,460,065	105,191,650
Total current liabilities		137,405,022	125,612,207
Non-current liabilities			
Provisions	12	2,886,574	2,332,681
Total non-current liabilities		2,886,574	2,332,681
Total liabilities		140,291,596	127,944,888
Net assets		191,247,351	216,336,661
Equity			
Reserves	14	19,438,730	24,363,131
Retained earnings		171,808,621	191,973,530
Total equity		191,247,351	216,336,661

The accompanying notes form part of these financial statements.

Uniting Aged Care Vic & Tas

Statement of Changes in Equity

for the year ended 30 June 2012

	Notes	Reserves \$	Retained Earnings \$	Total \$
Balance at 1 July 2010		21,100,963	171,550,712	192,651,675
Total comprehensive income/(loss) for the year		3,262,168	20,422,818	23,684,986
Balance at 30 June 2011	14	24,363,131	191,973,530	216,336,661
Balance at 30 June 2011		24,363,131	191,973,530	216,336,661
Total comprehensive income/(loss) for the year		(4,924,402)	(20,164,909)	(25,089,310)
Balance at 30 June 2012	14	19,438,730	171,808,621	191,247,351

The accompanying notes form part of these financial statements.

Uniting Aged Care Vic & Tas

Statement of Cash Flows

for the year ended 30 June 2012

	Note	2012 \$	2011 \$
Cash flows from operating activities			
Receipts from customers		41,125,041	35,150,620
Receipts from government Funding		88,540,585	81,950,108
Donations, bequests and fundraising		3,313,893	1,708,325
Payments to suppliers and employees		(125,511,274)	(111,793,366)
Proceeds from Grant Income		(2,841)	7,146,382
Interest received		5,609,686	4,939,505
Interest paid		(230,989)	(262,632)
Net cash provided by (used in) operating activities	15(b)	12,844,100	18,838,942
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		(4,924,401)	8,744,907
Receipts from/(payments for) deposits with UCA Funds Management		(13,459,237)	14,438,884
Payments for available for sale assets with UCA Funds Management		2,665,306	(1,708,487)
Purchase of property, plant and equipment		3,573,241	(41,628,249)
Purchase of intangible asset - software		(24,975)	(145,671)
Proceeds from sale of bed licences		920,000	2,550,000
Payment for investment properties		(15,452,495)	(783,181)
Net cash provided by (used in) investing activities		(26,702,560)	(18,531,797)
Cash flows from financing activities			
Net receipts from (payments for) resident ingoing contributions		14,268,416	(1,075,904)
Net cash provided by (used in) financing activities		14,268,416	(1,075,904)
Net change in cash and cash equivalents held		409,955	(768,761)
Cash and cash equivalents at beginning of financial year		336,749	1,105,510
Cash and cash equivalents at end of financial year	15(a)	746,704	336,749

The accompanying notes form part of these financial statements.

Uniting Aged Care Vic & Tas

Contents of Notes to the Financial Statements

		Page
Note 1	Statement of significant accounting policies	13 - 19
Note 2	Revenue	20
Note 3	Expenses	20
Note 4	Cash and cash equivalents	21
Note 5	Trade and other receivables	21
Note 6	Financial assets	22
Note 7	Other assets	22
Note 8	Property, plant and equipment	23-24
Note 9	Investment property	24
Note 10	Intangible assets	25-26
Note 11	Trade and other payables	27
Note 12	Provisions	27
Note 13	Resident ingoings	27
Note 14	Reserve and retained earnings	28
Note 15	Cash flow information	29
Note 16	Contingent assets and liabilities	30
Note 17	Entity details	30
Note 18	Financial risk management	30-33
Note 19	Capital and leasing commitments	34
Note 20	Related party transactions	34-35
Note 21	Key management personnel	35
Note 22	Segment note	36
Note 23	Events after balance date	37

Uniting Aged Care Vic & Tas

Notes to the financial statements

for the year ended 30 June 2012

1. Statement of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers Uniting Aged Care Victoria and Tasmania (Uniting Aged Care) as an aggregated entity. Uniting Aged Care is an agency of the Uniting Church to which the Uniting Church in Australia Property Trust (Victoria) and the Uniting Church in Australia Property Trust (Tas) hold legal title. The Uniting Church in Australia Property Trust (Victoria) and the Uniting Church in Australia Property Trust (Tas) are constituted as corporations pursuant to the provision of the Uniting Church in Australia Act 1997 No. 9021 in the State of Victoria and the Uniting Church in Australia Act 1977 No. 38 in the State of Tasmania respectively.

The financial report of Uniting Aged Care was authorised for issue by the Members of the Board of Governance on 25 September 2012.

Basis of preparation

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied.

Statement of Compliance

The financial report complies with all Australian Accounting Standards.

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

Adoption of New Standards and Interpretations

All new and revised Standards and Interpretations issued by the Australian Accounting Standards Board which are mandatory for annual periods beginning before 1 July 2011 were adopted in the current year where applicable. The adoption of these standards have not had a significant effect on the entity's financial position or performance.

New Standards, amendments to Standards and Interpretations which have been recently issued or amended but are not yet effective have not been applied to the financial report for the current period. None of these are expected to have a significant effect on the entity's financial position or performance.

Basis of Aggregation

The financial report has been prepared on the basis of an aggregation of the aged care services provided by the Uniting Aged Care within the Uniting Church in Australia Synod of Victoria and Tasmania.

Uniting Aged Care Vic & Tas

Notes to the financial statements

for the year ended 30 June 2012

1. Statement of significant accounting policies (continued)

These services include residential (low and high care services), a range of community services (including Day Therapy centres, Day Care centers, CACP, EACH, EACHD, NRCP) and Independent Living Units across Victoria and Tasmania.

These services operate under the Approved Provider of the Uniting Church in Australia Property Trust (Victoria) and the Uniting Church in Australia Property Trust (Tas).

The aggregation does not have a parent entity as no one agency dominates decision making and has control.

Transactions between divisions have been eliminated for the purpose of preparing the aggregated financial report.

Critical Accounting Estimates and Judgments

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make estimates, judgments and assumptions based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data. Actual results may differ from these estimates.

The accounting policies detailed in this note provide details of these estimates, judgments and assumptions.

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Recognition and Disclosure of Assets

Uniting Aged Care has assumed responsibility and recorded in the statement of financial position certain land and buildings of which the Uniting Church in Australia Property Trust (Victoria) and Uniting Church in Australia Property Trust (Tas) holds legal ownership. The carrying value of land and buildings and investment property over which the Uniting Church in Australia Property Trust (Victoria) and the Uniting Church in Australia Property Trust (Tas) holds legal ownership at 30 June 2012 is \$237,268,861 (2011: \$176,240,402) less accumulated depreciation \$44,724,668 (2011: \$40,105,844). The members of the Board of Governance are of the opinion that the criteria for the recognition of those assets as set out in the Framework for the Preparation and Presentation of Financial Statements is satisfied. That is, although the Uniting Church in Australia Property Trust (Victoria) and the Uniting Church in Australia Property Trust (Tas) holds legally enforceable rights over the relevant assets registered in its name, those assets are controlled by the aggregated entity and the future economic benefits of their use and management will flow to Uniting Aged Care.

Notes to the financial statements

for the year ended 30 June 2012

1. Statement of significant accounting policies (continued)

Property

Freehold land and buildings are measured at cost or deemed cost less accumulated depreciation and impairment losses. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction as at the valuation date.

Plant and equipment

Plant and equipment are measured at cost less depreciation and impairment losses.

The cost of fixed assets constructed within the entity includes the cost of materials, direct labour, and an appropriate proportion of fixed and variable overheads.

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 the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all property, plant and equipment including building, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the entity commencing from the time the asset is held ready for use.

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

Asset Class	Depreciation Rate
Buildings	2 - 10%
Plant and equipment	7.5 - 25%
Motor Vehicles	20 - 40%
Furniture, Fixtures and Fittings	7.5 - 15%
Office Equipment	25 - 50%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

Notes to the financial statements

for the year ended 30 June 2012

1. Statement of significant accounting policies (continued)

Investment Properties

Investment property, which consists of independent living units, is held to generate deferred management fees and retentions. Investment property is carried at cost.

Financial Instruments

Initial recognition and measurement

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to the statement of comprehensive income immediately. Financial instruments are classified and measured as set out below.

Classification and subsequent measurement

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method less provision for impairment. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

Trade and other receivables are carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for provision for impairment.

Held-to-maturity investments

These investments have fixed or determinable maturities, and it is the Entity's intention to hold these investments to maturity. Held-to-maturity investments held by the Entity are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They are held at fair value with changes in fair value taken through the financial assets reserve directly to other comprehensive income.

Financial liabilities

Trade payables and resident ingoings are carried at amortised cost and represent liabilities for goods and services provided to the entity prior to the end of the financial year that are unpaid and arise when the entity becomes obliged to make future payments in respect of the purchase of these goods and services.

All financial liabilities are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

Notes to the financial statements

for the year ended 30 June 2012

1. Statement of significant accounting policies (continued)

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the statement of comprehensive income.

Impairment of Assets

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where the asset does not generate cash flows that are independent from other assets, the entity estimates the recoverable amount of the cash generating unit to which the asset belongs.

Intangible assets with indefinite lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Employee Benefits

Wages, Salaries and Annual Leave

Liabilities for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date. They are calculated at undiscounted amounts based on remuneration wage and salary rates that the entity expects to pay as at reporting date including related on costs.

Notes to the financial statements

for the year ended 30 June 2012

1. Statement of significant accounting policies (continued)

Long service leave

The entity's net obligation in respect of long service leave is the amount of future benefit that employees have earned in return for their service in current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth bonds at the balance sheet date which have maturity dates approximating to the terms of the entities obligations.

Income Tax

No provision for income tax has been raised as the entity is exempted from income tax under Division 50 of the Income Tax Assessment Act 1997.

Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Rendering of Services

Revenue from rendering of services is recognised upon the delivery of the service to the clients.

Interest Income

Interest revenue is recognised on an accruals basis taking into account the interest rates applicable to the financial assets.

Government Grant Income

Grant revenue is recognised when the entity gains control over the contribution; it is probable that the economic benefits comprising the contribution will flow to the entity; and the amount of the contribution can be measured reliably.

All other revenue is recognised when the right to receive the revenue has been established.

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

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 GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST components of Investing and Financing Activities which are disclosed as operating cash flows.

Notes to the financial statements

for the year ended 30 June 2012

1. Statement of significant accounting policies (continued)

Resident Ingoings

The operation of both the low care facilities and high care facilities are governed by the Aged Care Act 1997. The operations of the independent living units are governed by the Victorian Retirement Villages Act 1986 and the Tasmanian Retirement Villages Act 2004.

Pursuant to the Aged Care Act residents of low level care may be required to lodge an accommodation bond, the value of which is subject to an asset means test. The value of these bonds are reported on an accruals basis in note 13 as a resident ingoing liability. The Aged Care Act allows a provider to retain the interest earned from these bonds and to deduct a prescribed retention amount for a maximum of five years. These monies are reported in Note 2 as interest received and retentions respectively.

Resident Ingoing amounts and related retentions and deferred management fees received from residents of independent living units are treated in the same manner as accommodation bonds received from low care residents. The current cash holdings of entry contributions and accommodation bonds have been invested with the UCA Funds Management. Uniting Aged Care has established an investment structure to enable refunds of accommodation bonds and other resident ingoing amounts to be met as required.

Accommodation bonds and other resident ingoing amounts are treated as a financial liability with a demand feature and have been discounted from the date the entry contribution or accommodation bond is required to be paid.

Income in Advance

Revenue is recognised by drawing a distinction between the reciprocal and non reciprocal transactions in the treatment of the contribution of assets to the entity. A reciprocal transaction is deferred and reported as Income in Advance due to the non completion of the service at reporting date. A non reciprocal transaction is recognised as revenue when the entity gains control of the transfer.

Intangible Assets

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with indefinite useful lives are not amortised. In accordance with AASB 138 Intangible Assets, bed licenses have been recognised at fair value, have been assessed as having indefinite useful lives and are not amortised.

Intangible assets with finite useful lives are amortised over the useful life. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category consistent with the function of the intangible asset.

Uniting Aged Care Vic & Tas

Notes to the financial statements

for the year ended 30 June 2012

2. Revenue

	2012	2011
	\$	\$
Operating activities:		
- Government contributions	88,540,585	81,572,465
- Resident/client fees	29,203,187	27,878,626
- Interest	5,609,686	4,939,505
- Property income	305,695	197,331
- Retentions and accommodation charges	4,865,344	3,976,724
- Donations, bequests, fundraising	3,313,893	1,741,156
- Other revenue	2,525,642	2,703,818
Total revenue from operating activities	134,364,032	123,009,626
Other Income		
- Grant Income	197,159	9,633,438
- Net gain(loss) on disposal of bed licences	115,000	150,000
- Net gain on disposal of property, plant & equipment	-	6,746,736
Total other income	312,159	16,530,174

3. Expenses

	2012	2011
	\$	\$
Depreciation and amortisation expense		
- Depreciation of property, plant and equipment	6,379,414	5,618,635
- Depreciation of investment property	1,568,911	738,610
- Amortisation of intangibles assets	565,891	609,485
Total depreciation and amortisation expense	8,514,216	6,966,729
Employee benefit expense		
Wages, salaries	81,610,463	74,187,488
Superannuation	6,302,746	5,986,153
Total employee benefit expense	87,913,209	80,173,641
Bad debts and impairment of debts		
Impairment of debts		
Bad debts written off / (bad debts recovered)	7,669	30,198
Total bad debts and impairment of debts	7,669	30,198
Other expenses		
Remuneration of auditor:		
- Auditing of the financial statements	84,000	80,000
- Preparation of the financial statements	-	5,000
- Audit of acquittals	16,500	16,000
Total remuneration of auditor	100,500	101,000

Uniting Aged Care Vic & Tas

Notes to the financial statements

for the year ended 30 June 2012

4. Cash and cash equivalents

	2012	2011
	\$	\$
Cash on hand	17,772	18,072
Cash at bank	728,933	318,678
	746,704	336,749

The effective interest rate on short-term bank deposits was 0.35% (2011: 0.35%); these deposits are at call.

5. Trade and other receivables

	2012	2011
	\$	\$
Current		
Trade receivables	8,823,402	9,368,124
Provision for impairment of trade receivables	(204,126)	(101,251)
Other receivables	175,816	3,489,298
Receivable from the disposal of bed licences	920,000	-
	9,715,093	12,756,171

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The following basis has been used to assess the doubtful debt required for trade receivables:

- an individual account by account assessment based on past credit history; and
- any prior knowledge of debtor insolvency or other credit risk.

As at 30 June 2012, trade receivables with a carrying amount of \$104,809 (2011: \$26,799) for the entity were past due but not doubtful. These trade receivables are not considered doubtful as they comprise customers who were expected to pay shortly after balance date and are therefore considered recoverable.

Included in the balance of trade receivables are unpaid resident ingoing contributions. Whilst these do not have specific payment terms, interest is accrued on outstanding amounts in accordance with the relevant approved resident agreements.

An allowance has been made for estimated irrecoverable trade receivable amounts arising from the past provision of services, determined by reference to past default experience. During the current financial year, the allowance for doubtful debts decreased by \$22,656 (2011: decreased by \$19,785). This movement was recognised in Trade Receivables, (the impact on the statement of comprehensive income had been previously recognised in 2011)

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements. The entity does not hold any collateral as security over any receivable balance.

Refer to note 18 for more information on the risk management policy of the entity.

Uniting Aged Care Vic & Tas

Notes to the financial statements

for the year ended 30 June 2012

6. Financial assets

	2012	2011
	\$	\$
Held to maturity:		
Deposits with UCA Funds Management (at amortised cost)	53,300,853	38,612,037
Available for sale:		
Investments with UCA Funds Management (at fair value) (a)	32,666,413	36,561,298
Other Investments (b)	1,229,579	-
Total financial assets	85,967,267	75,173,335

(a). Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities.

There are no fixed returns or fixed maturity dates attached to these investments.

(b). Other investments consist of investments in the ordinary share capital of another entity.

7. Other assets

	2012	2011
	\$	\$
Current		
Prepayments	1,027,443	927,375
Other Assets	8,883	13,507
Accrued Income	59,103	1,739,470
	1,095,429	2,680,351

Uniting Aged Care Vic & Tas

Notes to the financial statements

for the year ended 30 June 2012

8. Property, plant and equipment

	2012 \$	2011 \$
Freehold land - at cost	24,414,318	24,186,318
Buildings - at cost	153,076,376	117,248,905
Less: accumulated depreciation	(36,216,185)	(33,383,932)
Total land and buildings	141,274,509	108,051,291
Plant and equipment - at cost	10,928,234	10,155,449
Less: accumulated depreciation	(5,781,601)	(6,026,225)
	5,146,633	4,129,224
Motor Vehicles - at cost	1,694,271	1,582,266
Less: accumulated depreciation	(1,340,269)	(1,255,163)
	354,001	327,103
Computer Equipment - at cost	879,012	876,607
Less: accumulated depreciation	(867,422)	(849,662)
	11,590	26,945
Furniture, Fixtures and Fittings - at cost	6,852,718	5,517,511
Less: accumulated depreciation	(2,512,494)	(3,279,241)
	4,340,224	2,238,270
Capital works in progress	674,902	56,246,546
Total property, plant and equipment	151,801,860	171,019,377

Uniting Aged Care Vic & Tas

Notes to the financial statements

for the year ended 30 June 2012

8. Property, plant and equipment (continued)**Movements in carrying amounts**

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

	Land	Buildings	Plant & equipment	Motor vehicles	Computer equipment	Furniture fixtures & fittings	Capital Work In Progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Carrying amount at 1 July 2010	24,576,969	87,586,567	3,495,961	363,131	60,345	2,228,322	15,673,358	133,984,653
Additions	-	525,925	1,389,834	133,724	6,592	381,575	42,533,126	44,970,777
Disposals	(390,651)	-	(18,509)	-	(3)	(10,589)	(1,454,153)	(1,873,906)
Transfer to Intangibles	-	62,272	-	-	-	-	(505,785)	(443,513)
Depreciation Expense	-	(4,309,792)	(738,094)	(169,752)	(39,989)	(361,008)	-	(5,618,635)
Carrying amount at 30 June 2011	<u>24,186,318</u>	<u>83,864,972</u>	<u>4,129,192</u>	<u>327,104</u>	<u>26,945</u>	<u>2,238,300</u>	<u>56,246,546</u>	<u>171,019,377</u>
Additions	-	1,180,665	1,493,238	133,801	11,968	1,016,085	7,571,697	11,407,454
Disposals	-	(130,828)	(5,948)	-	-	(390)	(17,818)	(154,984)
Transfer to Investment Property	228,000	(892,789)	-	-	-	-	(23,425,784)	(24,090,573)
Transfer to PPE	-	-	438,201	-	21,558	1,655,472	(39,699,739)	-
Depreciation Expense	-	(4,746,337)	(908,050)	(106,903)	(48,882)	(569,242)	-	(6,379,414)
Carrying amount at 30 June 2012	<u>24,414,318</u>	<u>79,275,683</u>	<u>5,146,634</u>	<u>354,002</u>	<u>11,590</u>	<u>4,340,224</u>	<u>674,902</u>	<u>151,801,860</u>

9. Investment Property

	2012 \$	2011 \$
Investment Property - at cost	59,778,166	34,805,179
Less: accumulated depreciation	(8,508,482)	(6,721,911)
Total land and buildings	<u>51,269,684</u>	<u>28,083,268</u>

Movements in carrying amounts

Balance at the beginning of the year	28,083,268	28,038,638
Additions	24,090,573	783,240
Reclassification of Investment Property to PPE	664,754	-
Depreciation expense	(1,568,911)	(738,610)
Balance at the end of the year	<u>51,269,684</u>	<u>28,083,268</u>

Uniting Aged Care Vic & Tas

Notes to the financial statements

for the year ended 30 June 2012

10. Intangible assets

	2012 \$	2011 \$
Bed Licences - at deemed cost	52,198,470	52,198,470
Less: disposal	(805,000)	-
Less: impairment losses	(21,943,470)	-
	29,450,000	52,198,470
Software Development - at cost	4,247,434	4,222,459
Less: accumulated amortisation	(3,214,524)	(2,648,633)
	1,032,910	1,573,826
Total Intangibles	30,482,910	53,772,296

Movements in carrying amounts

	Bed licenses \$	Software development \$	Total \$
Gross carrying amount			
Balance at 1 July 2010	53,248,470	4,076,448	57,324,918
Additions	-	146,011	146,011
Disposals	(1,050,000)	-	(1,050,000)
Balance at 30 June 2011	52,198,470	4,222,459	56,420,929
Additions	-	24,975	24,975
Disposals	(22,748,470)	-	(22,748,470)
Balance at 30 June 2012	29,450,000	4,247,434	33,697,434
Accumulated amortisation and impairment			
Balance at 1 July 2010	-	2,039,148	2,039,148
Amortisation expense	-	609,485	609,485
Balance at 30 June 2011	-	2,648,633	2,648,633
Amortisation expense	-	565,891	565,891
Balance at 30 June 2012	-	3,214,524	3,214,524
Net book value			
As at 30 June 2011	52,198,470	1,573,826	53,772,296
As at 30 June 2012	29,450,000	1,032,910	30,482,910

Notes to the financial statements

for the year ended 30 June 2012

10. Intangible assets (continued)

Valuation of bed licences

The entity's bed licences were initially recognised at fair value, which was considered to be the deemed cost. On an annual basis the recoverable amount of the asset, being the higher of the assets fair value less costs to sell and value in use, is compared to carrying value to determine whether there is any impairment. On this basis, an impairment loss of \$21,943,470 has been recognised in 2012 (2011: Nil).

Impairment Testing

For the purposes of impairment testing of bed licences, cash generating units are determined at the facility level. The recoverable amounts of the cash generating units were determined based on value-in-use calculations, covering a detailed one year forecast, followed by extrapolation of the expected cash flows for the units for a five year forecast period using the growth rates determined by management. The present value of the expected cash flows of each facility is determined by applying a suitable discount rate:

	2012
Growth Rate	3.00%
Discount Rate	12.00%

Growth Rates

The growth rates reflect the long-term average growth rates for the industries of these segments (all publicly available) and considers any recent regulatory and policy changes.

Discount Rate

The discount rates reflect appropriate adjustments relating to market assessments of the time value of money and the risks specific to the asset.

Cash flow assumptions

In preparing the cash flow forecasts management have used certain key assumptions which includes:

- Occupancy rates that are consistent with recent occupancy levels;
- Wages based on current rosters and pay increases in accordance with current enterprise agreements;
- Increases in expenses in line with CPI, with the exception of certain identified expenses that are expected to increase over CPI;
- Capital expenditure in line with expected capital maintenance of facilities based on their individual life cycles.

The related bed licence impairment loss of \$21,943,470 in 2012(2011: Nil) is included within Other Expenses.

Apart from the considerations described in determining the value-in-use of the cash generating units, management is not currently aware of any other probable changes that would necessitate changes in its key elements.

Software development costs

Development costs have been capitalised at cost. This intangible asset has been assessed as having a finite life and is amortised using the straight line method over a period of 5 years. If an impairment indicator arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

Uniting Aged Care Vic & Tas

Notes to the financial statements

for the year ended 30 June 2012

	2012	2011
	\$	\$
11. Trade and other payables		
Current		
Trade payables	3,651,432	3,443,525
Sundry payables and accrued expenses	4,421,629	7,601,295
	8,073,061	11,044,820

Trade creditors and other creditors are non interest bearing liabilities. Trade creditor payments are processed once they have reached 30 days from the date of invoice for electronic funds transfer payments or cheque payment or 30 days from the end of the month of invoice for other payments. No interest is charged on trade payables.

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

12. Provisions

	2012	2011
	\$	\$
Current		
Employee benefits	9,871,897	9,375,736
	9,871,897	9,375,736
Non-current		
Employee benefits	2,886,574	2,332,681
	2,886,574	2,332,681

13. Resident Ingoings

	2012	2011
	\$	\$
Current		
Resident Ingoings	119,460,065	105,191,650
	119,460,065	105,191,650

Uniting Aged Care Vic & Tas

Notes to the financial statements

for the year ended 30 June 2012

14. Reserve and Retained Earnings

The general reserve includes cumulative fair value changes on available-for-sale investments until the investment is derecognised.

The asset revaluation reserve is used to record increases in the fair value of buildings and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in equity.

The Specific Reserve records amounts that have been set aside to fund specific items or projects.

	2012	2011
	\$	\$
<i>Retained earnings</i>		
Movements in retained earnings were as follows:		
Balance at 1 July	191,973,530	171,550,712
Net surplus/(loss) for the year	(20,164,909)	20,422,818
Balance at 30 June	171,808,621	191,973,530
<i>General Reserve</i>		
At 1 July	19,917,648	16,655,480
Increase/(decrease) in market value of available-for-sale investments	(4,924,402)	3,262,168
As at 30 June	14,993,247	19,917,648
<i>Specific reserves</i>		
At 1 July	4,229,310	4,229,310
As at 30 June	4,229,310	4,229,310
<i>Asset revaluation reserve</i>		
At 1 July	216,173	216,173
As at 30 June	216,173	216,173
	19,438,730	24,363,131

Uniting Aged Care Vic & Tas

Notes to the financial statements

for the year ended 30 June 2012

15. Cash flow information

	Note	2012 \$	2011 \$
a. Reconciliation of cash			
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:			
Cash on hand	4	17,772	18,072
Cash at bank	4	728,933	318,678
		746,704	336,749

b. Reconciliation of cash flow from operations with surplus after income tax

Surplus after income tax	(20,164,909)	20,422,818
Non-cash flows in profit:		
- Depreciation & amortisation	8,514,217	6,966,698
- Net (gain) / loss on disposal of property, plant and equipment	(267,994)	(6,746,736)
- Net (gain) / loss on disposal of intangibles	(115,000)	(150,000)
- Impairment of intangibles	21,943,470	-
- Capital gain liability on Investment property	249,874	274,835
Changes in assets and liabilities		
- (Increase)/decrease in trade and other receivables	4,704,334	(2,345,140)
- (Increase)/decrease in prepayments	(100,068)	41,409
- Increase/(decrease) in other non-current assets	-	(325,000)
- Increase/(decrease) in trade and other payables	(2,969,877)	48,003
- Increase/(decrease) in provisions	1,050,053	652,056
	12,844,100	18,838,942

Notes to the financial statements

for the year ended 30 June 2012

16. Contingent assets and liabilities

The members of the Board of Governance are not aware of any material contingent liabilities that exist at 30 June 2012 (2011: nil).

17. Entity details

The registered office and principal place business of the entity is:

Uniting Aged Care Victoria and Tasmania
130 Little Collins Street
Melbourne Vic 3000

18 Financial Risk Management

(a) Financial Risk Management Policies

The entity's financial instruments consist of deposits with banks, investments in managed funds in UCA Funds Management, equity securities and accounts receivable and payable.

The main purpose for non derivative financial instruments is to finance the ongoing operations of the entity.

(i) Treasury Risk Management

Senior executives and Finance Committee members of the aggregated entity meet on a regular basis to analyse financial risk exposure and to evaluate management strategies in the context of the most recent economic conditions and forecasts.

The committee's overall risk management strategy seeks to assist the aggregated entity in meeting its financial targets, whilst minimising potential adverse effects on financial performance. The Finance Committee operates under policies approved by the Board. Risk Management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

(ii) Financial Risk Exposures and Management

The main risks the entity is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Notes to the financial statements

for the year ended 30 June 2012

18 Financial Risk Management (continued)

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. For further details on interest rate risk refer to Note 18(d).

Liquidity Risk

The entity manages liquidity risk by monitoring forecast cash flows and ensuring legislative requirements are met regarding liquidity of accommodation bonds held.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and noted to the financial statements. In the case of accommodation bonds and other resident ingoing debtors, the maximum exposure to credit risk is the carrying amount of uncollected periodic retentions and accumulated interest.

The entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity.

Other Price Risk

The entity is exposed to other price risk in respect to its investments in managed funds in UCA Funds Management and equity securities (see note 6).

The risk that the managed funds and equity securities will fluctuate due to changes in market conditions is noted in note 18(d).

(b) Financial Instruments composition and maturity analysis

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the statement of financial position date and the periods in which they reprice.

Uniting Aged Care Vic & Tas

Notes to the financial statements

for the year ended 30 June 2012

18 Financial Risk Management (continued)

	Weighted Average		Floating interest rate		Non Interest Bearing		Total	
	2012 %	2011 %	2012 \$ '000	2011 \$ '000	2012 \$ '000	2011 \$ '000	2012 \$ '000	2011 \$ '000
Financial assets								
<i>Current</i>								
Cash	0.35%	0.35%	729	319	18	18	747	337
Receivables	8.71%	8.87%	8,619	9,267	-	-	8,619	9,267
Other receivables	-	-	-	-	1,096	3,489	1,096	3,489
Available for sale financial assets	-	-	-	-	33,896	36,561	33,896	36,561
Held to maturity financial assets	5.32%	6.05%	52,071	38,612	-	-	52,071	38,612
			61,419	48,198	35,010	40,068	96,429	88,266
Financial liabilities								
<i>Current</i>								
Trade and sundry payables	-	-	-	-	8,073	11,045	8,073	11,045
Resident ingoings	-	-	-	-	119,460	105,192	119,460	105,192
			-	-	127,533	116,237	127,533	116,237

Uniting Aged Care Vic & Tas

Notes to the financial statements

for the year ended 30 June 2012

18 Financial Risk Management (continued)

Trade and other payables are expected to be paid within 3 months.

(c) Net fair values

Fair values are materially in line with carrying values.

The net fair values of managed funds have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying values. No financial assets or financial liabilities are readily traded on organised markets in standardised form other than managed funds. Financial assets where the carrying amount exceeds net fair values have not been written down as the entity intends to hold these assets to maturity.

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

(d) Sensitivity Analysis

The entity has performed a sensitivity analysis relating to its exposure to interest rate risk and other price risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Risk Sensitivity Analysis

At 30 June 2012, the effect on surplus and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Change in Surplus		Change in Equity	
	2012	2011	2012	2011
	\$000	\$000	\$000	\$000
- Increase in interest rate by 2% (2011: 2%)	1,253	257	1,253	257
- Decrease in interest rate by 2% (2011: 2%)	(1,253)	(257)	(1,253)	(257)

Other Price Risk Sensitivity Analysis

At 30 June 2011, the effect on surplus and equity as a result of changes in market conditions impacting upon the entity in managed funds which includes listed investments with all other variables constant would be as

	Change in Surplus		Change in Equity	
	2012	2011	2012	2011
	\$000	\$000	\$000	\$000
- Increase in volatility by 20% (2010: 20%)	6533	7312	6533	7312
- Decrease in volatility by 20% (2010: 20%)	(6,533)	(7,312)	(6,533)	(7,312)

Notes to the financial statements

for the year ended 30 June 2012

19 Capital and Leasing Commitments

	2012	2011
	\$	\$
Capital expenditure commitments contracted for:		
Re-development of properties and IT system		
- less than 12 months	1,210,000	1,283,406
- greater than 12 months	600,000	-
	<u>1,810,000</u>	<u>1,283,406</u>

The entity has committed to a development of the IT system for both UAC Victoria and Tasmania. The prior year commitment was in relation to the completion of buildings.

20 Related Party Transactions

(a) Uniting Church in Australia Synod of Victoria and Tasmania

Interest was received, on normal commercial terms, by the entity of \$4,827,699 (2011: \$3,522,078) from UCA Funds Management, a division of the Synod. This interest was received in relation to deposits held on behalf of the entity (as disclosed in Note 6).

(b) Russell Kennedy

Legal fees of \$73,621 (2011: \$93,108) were paid to Russell Kennedy on normal commercial terms. Ms Libby Pallot (Principal) is a member of the Board of Governance, who is an employee of this firm.

(c) Ernst and Young

Consultancy fees of \$47,684 (2011: Nil) were paid to Ernst and Young on normal commercial terms. Ms Fiona Campbell (Partner) is a member of the Audit and Risk Committee.

Notes to the financial statements

for the year ended 30 June 2012

20 Related Party Transactions (continued)

(d) McCarthy Psychology Services

Psychology services of \$1,928 (2011: \$3,412) were purchased from McCarthy Psychology Services on normal commercial terms. Mr Bernie McCarthy, who is a member of a committee of the Board of Governance is a Director of this firm.

(e) Reverend Allan Thompson

Consultancy services of Nil (2011: \$5,567) were purchased from Reverend Allan Thompson on normal commercial terms. Reverend Thompson, is a member of the Board of Governance.

21 Key Management Personnel

The total of remuneration paid or provided for key management personnel of the entity during the year are as follows:

	2012	2011
	\$	\$
Short-term employee benefits	1,883,586	1,510,204
Post employment benefits	137,443	133,368
Termination benefits	25,500	19,659
	2,046,529	1,663,231

Uniting Aged Care Vic & Tas

Notes to the financial statements

for the year ended 30 June 2012

22 Segment note

The following segment note has been prepared in accordance with the regulations of Residential Care Subsidy Principles 1997.

Revenue		\$	Expenses		\$
Government Subsidies		73,693,295	Care employee expenses**		(52,725,865)
Resident Charges		22,421,435	Other Employee expenses		(9,736,277)
Capital Grants		-	Management fees		(9,429,263)
Bond Retentions		1,045,162	Interest expense		(230,989)
Interest Income		5,760,128	Depreciation & amortisation		(6,485,917)
Donations		997,074	Other*		(24,881,033)
Other*		519,157			-
Total Revenue		104,436,250	Total Expense		(103,489,343)
Segment result					946,907

Segment Assets:		Segment Liabilities:***	
Segment current assets	25,426,000	Segment current liabilities	(1,350,024)
Segment non-current assets	182,141,064	Segment non-current liabilities	(83,857,015)
Segment Net Assets:			54,259,508

Segment Liabilities included above:

Accommodation bond liabilities	(83,604,459)
Interest-bearing borrowings	-

* notes to explain significant one off revenue & expense items

** includes Agency costs

*** should include accommodation bonds & total segment borrowings

Other*		Other*	
Sale of Property Plant & Equipment assets and Intangible assets	-	Cost of disposal of Property Plant & Equipment assets and Intangible assets	-
		Marketing costs	
Other Recurring Revenue	519,157	Other Recurring Expenses	(24,881,033)
Total	519,157	Total	(24,881,033)

Notes to the financial statements

for the year ended 30 June 2012

23 Events after balance date

No matters or circumstances have arisen since the end of the financial year which significantly or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

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Independent Auditor's Report

To the Victorian & Tasmanian Synod of the Uniting Church in Australia

We have audited the accompanying financial report of Uniting Aged Care Victoria and Tasmania (the "aggregated entity"), which comprises the statement of financial position as at 30 June 2012, 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 and other explanatory notes to the financial report and the statement by the Board of Governance of the aggregated entity.

Board of Governance responsibility for the financial report

The Board of Governance of the aggregated entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the aggregated 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 aggregated entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Governance, 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 applicable independence requirements of the Accounting Professional and Ethical Standards Board.

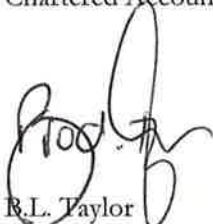
Auditor's opinion

In our opinion:

- a the financial report of Uniting Aged Care Victoria and Tasmania
 - i presents fairly, in all material respects, the aggregated entity's financial position as at 30 June 2012 and of its performance and cash flows for the year then ended; and
 - ii complies with Australian Accounting Standards.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B.L. Taylor
Partner - Audit & Assurance

Melbourne, 27 September 2012