

**BAPTIST CARE (SA) INCORPORATED**  
**A.B.N. 81 257 754 846**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**BAPTIST CARE (SA) INCORPORATED**  
**A.B.N. 81 257 754 846**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2016**

**CONTENTS**

---

Statement by the Board of Governors	3
Independent Auditor's report	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9-19

---

**BAPTIST CARE (SA) INCORPORATED**  
**A.B.N. 81 257 754 846**

**STATEMENT BY THE BOARD OF GOVERNORS**

**The Board of Governors have determined that Baptist Care (SA) Incorporated is a reporting entity.**

In the opinion of the Board of Governors the financial statements as set out on pages 5 to 19.

1. Gives a true and fair view of the financial position of Baptist Care (SA) Inc as at 30 June 2016 and of the performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Baptist Care (SA) Incorporated will be able to pay its debts as and when they fall due.
3. No officer or no firm of which an officer is a member or no corporation in which an officer has a substantial financial interest has received or become entitled to receive a benefit as a result of a contract between the officer, firm or corporation and Baptist Care (SA) Incorporated.
4. No officer has received directly or indirectly any payment or other benefit of a pecuniary value other than remuneration payments to employees and reimbursements of out-of-pocket expenses in relation to Baptist Care (SA) Incorporated.

Signed in accordance with a resolution of the Members of the Board of Governors made on the 26 September 2016 and signed for and on behalf of the Board of Governors by:



**Timothy WP Johnson**  
**Chairperson**



**Paul K Scully**  
**Chief Executive Officer**

**BAPTIST CARE (SA) INCORPORATED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Baptist Care (SA) Incorporated (the Association) which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the Board of Governors of Baptist Care (SA) Incorporated.

**Board of Governors' Responsibility for the Financial Statements**

The Board of Governors of the Association is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), and the Associations Incorporation Act (1985) South Australia and for such internal control as the Board of Governors determines is necessary to enable the preparation of the financial statements that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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 followed applicable independence requirements of Australian professional ethical pronouncements.

**Audit Opinion**

In our opinion:

The financial statements of Baptist Care (SA) Incorporated is in accordance with the Associations Incorporation Act (1985) South Australia including:

- i. presenting fairly the financial position of the Association as at 30 June 2016 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards

**MRL GROUP PTY LTD**  
Chartered Accountants

  
**Mark LeComu**  
Director  
Registered Company Auditor

26<sup>th</sup> day of September 2016

**BAPTIST CARE (SA) INCORPORATED**  
A.B.N. 81 257 754 846

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>Income</b>			
Revenue	2	46,249,079	35,949,283
<b>Expense</b>			
Employee benefit expense		36,545,611	28,020,765
Depreciation and Amortisation expense		698,072	680,872
Other expenses from ordinary activities	3	4,843,965	5,074,913
<b>Operating Surplus (Deficit)</b>		<b>4,161,431</b>	<b>2,172,733</b>
Gain (Loss) on Disposal of Assets		32,713	(721)
Net Donation from (to) Baptist Care (SA) Foundation	1c	625,463	589,805
<b>Income (Deficit) for the year</b>		<b>4,819,607</b>	<b>2,761,817</b>
Transfer (to) from Spina Bifida Hydrocephalus Services Reserve		70,500	(45,500)
Transfer (to) from Special Projects Reserve		278,200	(250,000)
Transfer (to) from Individualised Services Project Reserve		125,000	(125,000)
Transfer (to) from St Lukes Distribution Reserve		213,163	0
<b>Total Comprehensive Income (Deficit) for the year</b>		<b>5,506,470</b>	<b>2,341,317</b>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**BAPTIST CARE (SA) INCORPORATED**  
A.B.N. 81 257 754 846

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	13,736,455	9,353,066
Trade and other receivables	5	6,631,544	5,426,200
Other current assets	6	61,254	57,954
<b>Total current assets</b>		<b>20,429,253</b>	<b>14,837,220</b>
<b>Non-current assets</b>			
Property, plant and equipment	7	11,636,610	11,104,898
<b>Total non-current assets</b>		<b>11,636,610</b>	<b>11,104,898</b>
<b>Total assets</b>		<b>32,065,863</b>	<b>25,942,118</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	8	3,035,539	2,025,080
Borrowings	9	0	3,000
Provisions	10	1,199,779	928,174
Other current liabilities	11	1,493,484	1,468,410
<b>Total current liabilities</b>		<b>5,728,802</b>	<b>4,424,664</b>
<b>Non-current liabilities</b>			
Borrowings	10	0	0
Other non-current liabilities	11	6,508	6,508
<b>Total non-current liabilities</b>		<b>6,508</b>	<b>6,508</b>
<b>Total liabilities</b>		<b>5,735,310</b>	<b>4,431,172</b>
<b>Net assets</b>		<b>26,330,553</b>	<b>21,510,946</b>
<b>EQUITY</b>			
Retained surpluses		26,330,553	20,824,083
Reserves	12	0	686,863
<b>Total equity</b>		<b>26,330,553</b>	<b>21,510,946</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**BAPTIST CARE (SA) INCORPORATED**  
A.B.N. 81 257 754 846

**STATEMENT OF CHANGES IN EQUITY**  
**AS AT 30 JUNE 2016**

	<b>Retained Surplus</b>	<b>St Lukes Distribution Reserve</b>	<b>Spina Bifida Hydrocephalus Services Reserve</b>	<b>Special Projects Reserve</b>	<b>Individual Services Project Reserve</b>	<b>Total</b>
<b>Balance as at 30 June 2014</b>	18,482,766	213,163	25,000	28,200	0	18,749,129
Surplus (Deficit)	2,761,817	0	0	0	0	2,761,817
Transfer to Reserves	(420,500)	0	45,500	250,000	125,000	0
Transfer to Retained Surpluses	0	0	0	0	0	0
Impairment (decrement)	0	0	0	0	0	0
<b>Balance as at 30 June 2015</b>	<b>20,824,083</b>	<b>213,163</b>	<b>70,500</b>	<b>278,200</b>	<b>125,000</b>	<b>21,510,946</b>
Surplus (Deficit)	4,819,607	0	0	0	0	4,819,607
Transfer to Reserves	0	0	0	0	0	0
Transfer to Retained Surpluses	686,863	(213,163)	(70,500)	(278,200)	(125,000)	0
Impairment (decrement)	0	0	0	0	0	0
<b>Balance as at 30 June 2016</b>	<b>26,330,553</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,330,553</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**BAPTIST CARE (SA) INCORPORATED**  
A.B.N. 81 257 754 846

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
Receipts from government, customers and supporters		49,768,369	38,074,367
Payments to suppliers and employees		(45,019,360)	(37,035,991)
Interest received		370,136	311,942
<b>Net cash inflow(outflow) from operating activities</b>	14	<u>5,119,145</u>	<u>1,350,318</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		163,927	80,692
Purchase of property, plant and equipment		(896,683)	(634,335)
<b>Net cash inflow(outflow) from investing activities</b>		<u>(732,756)</u>	<u>(553,643)</u>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(3,000)	(19,535)
<b>Net cash inflow(outflow) from financing activities</b>		<u>(3,000)</u>	<u>(19,535)</u>
Net increase/(decrease) in cash and cash equivalents		4,383,389	777,140
Cash and cash equivalents at beginning of period		9,353,066	8,575,926
<b>Cash and cash equivalents at end of period</b>	4	<u>13,736,455</u>	<u>9,353,066</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.



**BAPTIST CARE (SA) INCORPORATED**  
**A.B.N. 81 257 754 846**

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

**NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are general purpose financial statements prepared in accordance with Accounting Standards and Interpretations together with the requirements of the Associations Incorporation Act 1985.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensure that the financial statements and notes of the Association comply with International Financial Reporting Standards ("IFRS"). The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in the financial statements containing relevant and reliable information about transactions, events and conditions.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar and are presented in Australian dollars.

Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Association takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistency applied unless otherwise stated.

**Accounting policies**

**(a) Income Tax**

Baptist Care (SA) Incorporated is registered as a Public Benevolent Institution and is therefore exempt from income tax.

**(b) Properties, furnishings, equipment and vehicles**

**Property**

Freehold land and buildings are shown at their considered fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of a revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

All property was revalued as at 30 June 2014 by licensed valuers. The basis of valuation was dependent upon the nature of the property valued and included "written down current cost" for specialised assets and a "highest and best use" basis for non-specialised assets.

**Leasehold Improvements**

Leasehold Improvements were valued as part of the valuation process as at 30 June 2014 by licensed valuers. Leasehold improvements are recognised as assets of Baptist Care (SA) Incorporated where Baptist Care (SA) Incorporated has contributed to the value of the assets and where the economic benefits of the assets is contractually certain under lease arrangements.

**BAPTIST CARE (SA) INCORPORATED**  
**A.B.N. 81 257 754 846**

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increase of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of income and expenditure.

**Plant and Equipment**

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in a profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

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 Association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the Statement of Comprehensive Income in the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost or for nominated cost are recognised at the fair value of the asset at the date it is acquired.

**Depreciation**

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated on both a straight line and diminishing value basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

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

<u>Class of fixed asset</u>	<u>Depreciation rate</u>
Buildings	2.50%
Furniture and fittings	10-20%
Plant and equipment	7.5 - 33.3%
Motor vehicles	17%

The assets residual value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet 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 and losses are included in the statement of income and expenditure. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained surpluses.

**(c) Baptist Care (SA) Foundation**

Baptist Care (SA) Foundation was formed by the Baptist Churches of South Australia as a public ancillary fund. The objects of Baptist Care (SA) Foundation are '*to provide money, property or benefits*' exclusively to Baptist Care (SA) Incorporated.

Since its formation, the Association has both donated to and received from the Baptist Care (SA) Foundation as permanent contributions.

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Donation to Baptist Care (SA) Inc.	656,440	600,000
Donation from Baptist Care (SA) Inc.	(30,977)	(10,195)
Total Net Donation from (to) Baptist Care (SA) Foundation	<u>625,463</u>	<u>589,805</u>

These amounts have been brought to account by the Association in the Statement of Comprehensive Income.

**BAPTIST CARE (SA) INCORPORATED**  
**A.B.N. 81 257 754 846**

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

**(d) Financial instruments**

**Recognition and initial measurement**

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Association becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

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

**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 subsequently measured at amortised cost using the effective interest rate method.

**Financial liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

**Impairment**

At the end of each reporting period, the Association assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a loss 'event'), which has an impact on the estimated future cash flows of the financial assets.

In the case of financial assets carried at amortised cost, loss events may include: indications that specific debtors are experiencing significant financial difficulty.

**(e) Employee benefits**

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. These cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

**(f) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits available at-call with banks and other financial institutions, other short-term highly liquid investments with original maturities of three months or less, and overdraft facilities held with financial institutions. Overdrafts held with financial institutions are shown within borrowings in current liabilities on the balance sheet.

**(g) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Association are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amount equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Association will obtain ownership of the asset or ownership over the term of the lease.

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.

**BAPTIST CARE (SA) INCORPORATED**  
A.B.N. 81 257 754 846

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

**(h) Revenue**

Where conditions are attached to grant revenue which must be satisfied before the entity is eligible to recognise the grant as revenue, all grants collected will be held as a liability until those conditions are met.

Donations are recognised as revenue upon receipt whereas revenue from the rendering of a service is recognised upon delivery of the service.

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

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

**(i) 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 Tax 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 balance sheet are shown inclusive of GST.

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

**(j) Impairment of assets**

At each reporting date, the Association 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. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Where it is not possible to estimate the recoverable amount of an individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(k) Comparative figures**

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

**(l) New accounting standards for application in future periods**

A number of Australian Accounting Standards and Interpretations (and IFRSS and IFRIC Interpretations) are on issue but are not effective for the year ended 30 June 2016. The reported results and positions of the Association will not change on adoption of these pronouncements as they do not result in any changes to the Association's existing accounting policies. Adoption may, however, result in changes to information currently disclosed in the financial statements. The Association does not intend to adopt any of these pronouncement before their effective dates.

<b>NOTE 2 REVENUE</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Government funding and fees	42,078,235	32,457,437
Fees and rents	2,432,930	2,127,706
Fundraising, bequests and donations	441,945	375,820
Interest	370,135	311,942
Meals and catering receipts	560,545	516,228
Sundry Income	365,289	111,699
Distribution on liquidation of Spina Bifida Hydrocephalus Association Inc.	0	48,451
<b>Total Revenue</b>	<b>46,249,079</b>	<b>35,949,283</b>



**BAPTIST CARE (SA) INCORPORATED**  
A.B.N. 81 257 754 846

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

<b>NOTE 3</b>	<b>OTHER EXPENSES FROM ORDINARY ACTIVITIES</b>	<b>2016</b>	<b>2015</b>
	includes:	\$	\$
	Bad and doubtful debts	37,650	0
	Interest expense and other finance charges	13,650	12,290
	Payments to Auditors for Audit Fees	40,000	40,000
	Payments to Auditors for Consultancy	16,500	18,500
	Building rent, cleaning and utilities	501,818	640,107
<b>NOTE 4</b>	<b>CASH AND CASH EQUIVALENTS</b>	<b>2016</b>	<b>2015</b>
		\$	\$
	Cash on hand	9,126	6,900
	Moneys on deposit	12,603,398	7,641,615
	Cash at bank and other financial	1,123,931	1,704,551
	<b>Cash at Bank and In Hand</b>	<b>13,736,455</b>	<b>9,353,066</b>
<b>NOTE 5</b>	<b>TRADE AND OTHER RECEIVABLES</b>	<b>2016</b>	<b>2015</b>
		\$	\$
	Service charges, rent receivable and	317,450	166,043
	Less: Provision for doubtful debts	(37,650)	0
		279,800	166,043
	Government funding and fees	6,097,597	5,108,999
	Workers' compensation payments recoverable	57,662	37,816
	Other amounts receivable	196,485	113,342
	<b>Total trade and other receivables</b>	<b>6,631,544</b>	<b>5,426,200</b>
<b>NOTE 6</b>	<b>OTHER ASSETS</b>	<b>2016</b>	<b>2015</b>
		\$	\$
	Prepayments	61,254	57,954
	<b>Total other assets</b>	<b>61,254</b>	<b>57,954</b>

**BAPTIST CARE (SA) INCORPORATED**  
A.B.N. 81 257 754 846

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

<b>NOTE 7 PROPERTY, PLANT AND EQUIPMENT</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Freehold Land</b>		
Independent valuation	2,944,450	2,704,450
<i>Total Land</i>	<u>2,944,450</u>	<u>2,704,450</u>
<b>Buildings</b>		
Independent valuation	5,049,865	4,825,550
Less accumulated depreciation	(246,027)	(120,639)
	<u>4,803,838</u>	<u>4,704,911</u>
Buildings Work In Progress	25,834	33,945
<i>Total Buildings</i>	<u>4,829,672</u>	<u>4,738,856</u>
<b>Leasehold Improvements</b>		
Independent valuation	1,688,000	1,688,000
Less accumulated depreciation	(84,400)	(42,200)
	<u>1,603,600</u>	<u>1,645,800</u>
Leasehold Improvements Work In Progress	182,087	73,851
Less accumulated depreciation	(40,011)	(38,455)
	<u>142,076</u>	<u>35,396</u>
<i>Total Leasehold Improvements</i>	<u>1,745,676</u>	<u>1,681,196</u>
<i>Total Land and Buildings</i>	<u>9,519,798</u>	<u>9,124,502</u>
<b>Plant and Equipment</b>		
Motor Vehicles	1,312,488	1,178,742
Less accumulated depreciation	(474,321)	(534,603)
	<u>838,167</u>	<u>644,139</u>
Equipment	3,541,174	3,318,354
Less accumulated depreciation	(2,262,529)	(1,982,097)
	<u>1,278,645</u>	<u>1,336,257</u>
<i>Total Plant and Equipment</i>	<u>2,116,812</u>	<u>1,980,396</u>
<b>Total property, plant and equipment</b>	<u>11,636,610</u>	<u>11,104,898</u>

**Revaluation**

Land, buildings and leasehold improvements were revalued by licensed valuers as at 30 June 2014. These valuations were adopted as at 30 June 2014.

**Movements in carrying amounts**

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

	<b>Land</b>	<b>Buildings</b>	<b>Leasehold</b>	<b>Motor Vehicles</b>	<b>Equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2015	2,704,450	4,738,856	1,681,196	644,139	1,336,257	11,104,898
Additions	240,000	250,149	116,565	506,914	281,322	1,394,950
Disposals	0	(33,945)	(459)	(130,622)	(140)	(165,166)
Depreciation expense	0	(125,388)	(51,626)	(182,264)	(338,794)	(698,072)
<b>Balance at 30 June 2016</b>	<u>2,944,450</u>	<u>4,829,672</u>	<u>1,745,676</u>	<u>838,167</u>	<u>1,278,645</u>	<u>11,636,610</u>

**BAPTIST CARE (SA) INCORPORATED**  
A.B.N. 81 257 754 846

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

NOTE	8	TRADE AND OTHER PAYABLES	2016	2015
			\$	\$
		Trade creditors	2,244,938	1,662,594
		Other creditors and accruals	790,601	362,486
		<b>Total trade and other payables</b>	<b><u>3,035,539</u></b>	<b><u>2,025,080</u></b>

NOTE	9	BORROWINGS	2016	2015
			\$	\$
		<b>CURRENT</b>		
		<b>Unsecured Liabilities</b>		
		Loan - Westcare developments	0	3,000
		<b>Total current borrowings</b>	<b><u>0</u></b>	<b><u>3,000</u></b>

NOTE	10	PROVISIONS	2016	2015
			\$	\$
		Employee benefits - annual leave	866,991	679,279
		Employee benefits - long service leave	332,788	248,895
		<b>Total provisions</b>	<b><u>1,199,779</u></b>	<b><u>928,174</u></b>
		<b>Analysis of provisions</b>		
		Settled within 12 months	873,991	686,279
		Settled greater than 12 months	325,788	241,895
		<b>Total provisions</b>	<b><u>1,199,779</u></b>	<b><u>928,174</u></b>

NOTE	11	OTHER LIABILITIES	2016	2015
			\$	\$
		<b>CURRENT</b>		
		Revenue received in advance	1,493,484	1,468,410
		<b>Total current other liabilities</b>	<b><u>1,493,484</u></b>	<b><u>1,468,410</u></b>
		<b>NON-CURRENT</b>		
		Property security bonds	6,508	6,508
		<b>Total non-current other liabilities</b>	<b><u>6,508</u></b>	<b><u>6,508</u></b>

NOTE	12	RESERVES	2016	2015
			\$	\$
		St Luke's Distribution Reserve	0	213,163
		Individual Services Project Reserve	0	125,000
		Spina Bifida Hydrocephalus Services Reserve	0	70,500
		Special Projects Reserve	0	278,200
		<b>Total reserves</b>	<b><u>0</u></b>	<b><u>686,863</u></b>

**St Luke's Distribution Reserve**

The St Luke's Distribution Reserve represented the contribution made to the former Baptist Community Services (SA) Incorporated by the Anglican Church of Australia as a result of the liquidation of St Luke's Mission in the year ended 30 June 2006. The contribution was made to further the work with the homeless in the inner city of Adelaide through the ongoing work of Westcare. Baptist Care (SA) Incorporated has used this contribution through the continuation of the Westcare ministry.

**BAPTIST CARE (SA) INCORPORATED**  
A.B.N. 81 257 754 846

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

**Individual Services Project Reserve**

This reserve represented the funding for the development of new service initiatives across 2015-16.

**Spina Bifida Hydrocephalus Reserve**

The Association created a new program of ministry during 2013-14 for assisting persons with Spina Bifida and Hydrocephalus. This reserve reflected donated funds specifically toward this work that was received and recorded as income during 2013-2014 together with the proceeds from the distribution equity on the winding up of the Spina Bifida Hydrocephalus Association Inc. received and recorded as income during the 2014-2015. These funds were used in 2015-16.

**Special Projects Reserve**

This reserve represents funding for the development of new initiatives, for which no other sources of funding are available, and of donation moneys received for special projects that have not as yet been expended. This balance was used in 2015-16.

**NOTE 13 CAPITAL AND LEASING COMMITMENTS**

**2016                      2015**

**\$                              \$**

**Operating Lease Commitments**

Operating leases contracted for but not capitalised in the financial statements.

Payable - minimum lease payments

- no later than 12 months	21,289	10,644
- between 12 months and 5 years	26,893	256
- greater than 5 years	0	0
	<u>48,182</u>	<u>10,900</u>

**NOTE 14 CASH FLOW INFORMATION**

**2016                      2015**

**\$                              \$**

**Reconciliation of Cash Flow from operations with surplus from operations**

Surplus (Deficit) from operations 4,819,607      2,761,817

Cash flows excluded from surplus attributable to operations

Non cash flows included in surplus

- Depreciation	698,072	680,872
- Gain (Loss) on sale of property, plant and equipment	(32,713)	721
- Acquiring of assets for zero consideration	(464,315)	0

Change in assets and liabilities

- (Increase) Decrease in trade and other receivables	(1,205,344)	(1,593,402)
- (Increase) Decrease in other current assets	(3,300)	(24,451)
- Increase (Decrease) in trade payables and accruals	1,010,459	106,278
- Increase in employee benefits	271,605	174,928
- (Decrease) Increase in Unearnt Revenue	25,074	(756,445)

**Cash flow from operations**

**5,119,145      1,350,318**



**BAPTIST CARE (SA) INCORPORATED**  
A.B.N. 81 257 754 846

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

**NOTE 15 STATEMENT OF DONATIONS AND FUNDRAISING**

**DONATIONS AND FUNDRAISING REPORTED IN OPERATING RESULTS**

	Income	Direct Expenditure	Net Income
	\$	\$	\$
Donations - General	200,443	0	200,443
Donations - Churches	43,663	0	43,663
Donations - Seasonal appeals and sponsors	73,278	(14,334)	58,944
Total donations and fundraising	317,384	(14,334)	303,050
Bequests	124,561	0	124,561
Indirect costs associated with fundraising			
Salaries and on-costs			(27,164)
Office			(43,416)
<b>NET FUNDRAISING AVAILABLE FOR ALLOCATION</b>			<b>357,031</b>

Net fundraising was allocated to the following purposes in accordance with donor requests. Non-specified fundraising is allocated on the basis of program need:

**DIRECT SERVICES**

WestCare Day Centre - general operations	255,432
WestCare Day Centre - pastoral care	8,250
WestCare Day Centre - Christmas gifts	4,351
Aboriginal services - general operations	1,840
Refugee services - general operations	14,248
Prison Chaplaincy	11,800
Spina Bifida and Hydrocephalus Services - general operations	30,133

**CAPITAL DEVELOPMENTS**

Capital Developments	0
Bequests transferred to Baptist Care (SA)	30,977
	<b>357,031</b>

**NOTE 16 FINANCIAL INSTRUMENTS**

Assets

- (i) at call and term deposits with banks and other financial institutions
- (ii) accounts receivable

Liabilities

- (iii) loans from financial institutions
- (iv) hire purchase arrangements with financial institutions
- (v) accounts payable

The totals for each category of financial instruments, measured in accordance with AASB139 as detailed in the accounting policies to these financial statements, are as follows:

		2016 \$	2015 \$
<b>Financial assets</b>			
Cash and cash equivalents	4	13,736,455	9,353,066
Trade and other receivables	5	6,631,544	5,426,200
		20,367,999	14,779,266
<b>Financial liabilities</b>			
Financial liabilities at amortised cost			
- trade and other payables	8	3,035,539	2,025,080
- borrowings	9	0	3,000
		3,035,539	2,028,080

**BAPTIST CARE (SA) INCORPORATED**  
A.B.N. 81 257 754 846

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

**Financial Risk Management Policies**

The Board of Governors together with the Chief Executive Officer and Chief Financial Officer are responsible for, among other issues, monitoring and managing financial risk exposures of the entity. Discussions on monitoring and managing financial risk also occur at a governance level as part of regular meetings of the Board of Governors.

The potential risks Baptist Care (SA) Incorporated is exposed to through its financial instruments are interest rate risk and liquidity risk.

**Financial Risks**

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The table below details the categories of financial instruments disclosed in the financial accounts, the interest rate assessed risk level and the reasoning.

<b>Financial</b>	<b>Assessed</b>	<b>Reasoning</b>
<b>Financial Assets</b>		
Cash and cash equivalents	Low	Cash is maintained at variable interest rates
Receivables	Low	Short term assets - not affected by changes in interest rates.
<b>Financial Liabilities</b>		
Financial Liabilities at amortised cost		
- trade and other payables	Low	Current liabilities are not affected by changes in interest rates. All loans are at variable interest rates. All hire purchase arrangements are at fixed rates set at the time of entering the contract arrangements.
- borrowings	Low	

*Sensitivity analysis*

The following table illustrates sensitivities to the association's exposures to changes in interest rates. The table indicates the impact on how surplus and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	<b>Surplus</b>	<b>Equity</b>
	<b>\$</b>	<b>\$</b>
<b>Year ended 30 June 2016</b>		
+ 0.50% in interest rates	7,912	7,912
- 0.50% in interest rates	(7,912)	(7,912)
<b>Year ended 30 June 2015</b>		
+ 0.75% in interest rates	10,455	10,455
- 0.75% in interest rates	(3,485)	(3,485)

*Liquidity risk*

Liquidity risk arises from the possibility that Baptist Care (SA) Incorporated might encounter difficulty in settling its debts or otherwise meeting its obligation related to financial liabilities. Baptist Care (SA) Incorporated manages this risk through the following mechanisms:

- Maintenance of constant information systems and daily monitoring of cash flows
- Preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- Maintaining a reputable credit profile;
- Managing credit risk related to financial assets;
- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table on the next page details the maturity analysis for the financial liabilities.

**Net fair values**

No financial assets or liabilities are readily traded on organised markets in standardised form. All other net fair values of financial instruments are materially in line with carrying values.

**BAPTIST CARE (SA) INCORPORATED**  
A.B.N. 81 257 754 846

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

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial Liabilities</b>								
Trade and other payables	3,035,539	2,025,080	0	0	0	0	3,035,539	2,025,080
Borrowings - hire purchase				0		0	0	0
Borrowings - Westcare	0	3,000	0	0	0	0	0	3,000
<b>Total</b>	<b>3,035,539</b>	<b>2,028,080</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,035,539</b>	<b>2,028,080</b>

**NOTE 17 CAPITAL**

The Board of Governors and Senior Management Team manage the capital of Baptist Care (SA) Incorporated. The primary objective of capital management is to ensure that government grant contracts and integrity of funding sources are honoured while ensuring the pursuit of the constitutional objects of the organisation through ethical Christian service and prudent stewardship.

Baptist Care (SA) Incorporated adheres to a strong and responsible management policy in relation to capital management of funds including regular assessment of liquidity, strict adherence to prudential standards and principles, and conservative protection over cash and physical assets.

Baptist Care (SA) Incorporated management guidelines ensure minimisation of credit risk and maximisation of capital preservation.

**NOTE 18 ASSOCIATION DETAILS**

The registered office of the association is:

Baptist Care (SA) Incorporated  
130 Rose Terrace  
Wayville SA 5034

The principal place of business is:

Baptist Care (SA) Incorporated  
130 Rose Terrace  
Wayville SA 5034