

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

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2014**

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

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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**BAPTIST CARE (SA) INCORPORATED**  
**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 35:

1. Presents fairly the financial position of Baptist Care (SA) Incorporated as at 30 June 2014 and its performance for the year ended on that date.
2. Gives a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date.
3. 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.
4. 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.
5. 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 29<sup>th</sup> day of September 2014 and signed for and on behalf of the Board of Governors by:



Mr Allan Kenneth Priest  
Chairman



Mr Paul Keith 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 2014, 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.

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

**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 2014 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 LeCornu**  
Director  
Registered Company Auditor

29<sup>th</sup> day of September 2014

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

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
<b>INCOME</b>			
Revenue	2	29,654,180	35,503,546
<b>EXPENSE</b>			
Employee benefit expenses		(21,307,958)	(25,691,539)
Depreciation and amortisation expense		(812,390)	(1,450,032)
Borrowing cost expense		0	(21,241)
Other expenses from ordinary activities		(5,562,228)	(6,035,208)
<b>Operating Surplus</b>		<b>1,971,604</b>	<b>2,305,526</b>
(Loss) on revaluation of assets	1b	(208,127)	0
(Loss) on sale of Playford Village	1c	0	(5,377,895)
Donation paid to Baptist Care (SA) Foundation	1d	(14,500,542)	(1,038)
<b>(Deficit) for the year</b>		<b>(12,737,065)</b>	<b>(3,073,407)</b>
Write-back of prior year valuation increments		(833,339)	0
Transfer from Emergency Appeal Reserve		17,277	0
Transfer from Baptist Care (SA) Foundation Reserve		12,000,000	0
Transfer from Revaluation Reserve		833,339	0
Transfer (to) Spina Bifida Hydrocephalus Services Reserve		(25,000)	0
Transfer (to) Special Projects Reserve		(28,200)	0
Transfer (to) Emergency Appeal Reserve 13		0	(17,277)
Transfer (to) Baptist Care (SA) Foundation Reserve 13		0	(12,000,000)
<b>Total comprehensive (Deficit) for the year</b>		<b>(772,988)</b>	<b>(15,090,684)</b>

The accompanying notes form part of these financial statements

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

**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	8,575,926	8,292,446
Trade and other receivables	6	3,832,798	16,892,126
Other	7	33,503	53,928
		<hr/>	<hr/>
<b>TOTAL CURRENT ASSETS</b>		12,442,227	25,238,500
		<hr/>	<hr/>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	8	11,232,848	12,177,802
		<hr/>	<hr/>
<b>TOTAL NON CURRENT ASSETS</b>		11,232,848	12,177,802
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>		<b><u>23,675,075</u></b>	<b><u>37,416,302</u></b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	1,970,502	2,091,998
Borrowings	10	19,535	143,921
Provisions	11	753,246	735,304
Other	12	2,173,155	2,086,630
		<hr/>	<hr/>
<b>TOTAL CURRENT LIABILITIES</b>		4,916,438	5,057,853
		<hr/>	<hr/>
<b>NON CURRENT LIABILITIES</b>			
Borrowings	10	3,000	38,916
Other	12	6,508	0
		<hr/>	<hr/>
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>9,508</b>	38,916
		<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>		<b><u>4,925,946</u></b>	<b><u>5,096,769</u></b>
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b><u>18,749,129</u></b>	<b><u>32,319,533</u></b>
<b>EQUITY</b>			
Retained surpluses		18,482,766	19,255,754
Reserves	13	266,363	13,063,779
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b><u>18,749,129</u></b>	<b><u>32,319,533</u></b>

The accompanying notes form part of these financial statements

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2014**

	Retained Surpluses Reserve	Asset Revaluation Reserve	St Lukes Distribution Reserve	Emergency Appeal Reserve	Baptist Care (SA) Foundation	Spina Bifida Hydrocephalus Services Reserve	Special Projects Reserve	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance as at 30 June 2012	34,346,438	833,339	213,163	0	0	0	0	35,392,940
(Deficit)	(3,073,407)	0	0	0	0	0	0	(3,073,407)
Transfer to Reserves	(12,017,277)	0	0	17,277	12,000,000	0	0	0
Transfer to Retained Surpluses	0	0	0	0	0	0	0	0
Impairment (decrement)	0	0	0	0	0	0	0	0
	—	—	—	—	—	—	—	—
<b>Balance as at 30 June 2013</b>	<b>19,255,754</b>	<b>833,339</b>	<b>213,163</b>	<b>17,277</b>	<b>12,000,000</b>	<b>0</b>	<b>0</b>	<b>32,319,533</b>
	—	—	—	—	—	—	—	—
(Deficit)	(12,737,065)	0	0	0	0	0	0	(12,737,065)
Transfer to Reserves	(53,200)	0	0	0	0	25,000	28,200	0
Transfer to Retained Surpluses	12,017,277	0	0	(17,277)	(12,000,000)	0	0	0
Impairment (decrement)	0	(833,339)	0	0	0	0	0	(833,339)
	—	—	—	—	—	—	—	—
<b>Balance as at 30 June 2014</b>	<b>18,482,766</b>	<b>0</b>	<b>213,163</b>	<b>0</b>	<b>0</b>	<b>25,000</b>	<b>28,200</b>	<b>18,749,129</b>
	—	—	—	—	—	—	—	—

The accompanying notes form part of these financial statements



**BAPTIST CARE (SA) INCORPORATED**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Cash Flows from operating activities</b>		
Receipts from government, customers and supporters	35,234,039	36,251,515
Payments to suppliers and employees	(32,062,913)	(34,946,060)
Donation paid to Baptist Care (SA) Foundation	(14,500,542)	(1,038)
Interest	332,345	479,857
Repayment of resident loans	<u>0</u>	<u>(869,670)</u>
Net cash (outflow) inflow from operating activities	15 (10,997,071)	<u>914,604</u>
<b>Cash Flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	12,743,573	177,245
Purchase of property, plant and equipment	(1,302,720)	(1,967,869)
(Decrease) in resident deposits	<u>(3,526)</u>	<u>(179,669)</u>
Net cash provided from (used in) investing activities	11,437,327	<u>(1,970,293)</u>
<b>Cash Flows from financing activities</b>		
Repayment of borrowing	<u>(156,776)</u>	<u>(345,478)</u>
Net cash (used) provided from financing activities	<u>(156,776)</u>	<u>(345,478)</u>
Net increase (decrease) in cash held	283,480	(1,401,167)
Cash at beginning of year	<u>8,292,446</u>	<u>9,693,613</u>
Cash at end of year	15 <u>8,575,926</u>	<u>8,292,446</u>

The accompanying notes form part of these financial statements

**BAPTIST CARE (SA) INCORPORATED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 1**  
**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are general purpose financial statements that have been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act (1985) South Australia.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial statements 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 financial statements cover Baptist Care (SA) Incorporated as an individual entity. Baptist Care (SA) Incorporated is an Association incorporated in South Australia under the Associations Incorporation Act (1985) South Australia.

The financial statements of Baptist Care (SA) Incorporated as an individual entity comply with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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

**Reporting basis and conventions**

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

**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. The value attributed to buildings upon revaluation will be used as a basis for depreciation in future years as required by accounting standards. The Association recorded a net loss upon revaluation of \$208,127. Refer also Note 8.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 1**

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

As part of the sale of Playford Village during the year ended 30 June 2013, the Association disposed of all property, furnishings and equipment associated with this activity. Refer to Note 18 for comprehensive note disclosures in relation to this discontinued operation.

**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.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases 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 is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the Association to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected cash flows have been discounted to their present value in determining recoverable amounts.

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

Subsequent costs are included in the assets' carrying amounts 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 charged to the income statement for the financial period in which they are incurred.

**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 asset are:

Class of fixed asset	Depreciation rate
Buildings	2.5%
Furniture and fittings	10 - 20%
Plant and equipment	7.5 - 33.3%
Motor vehicles	15%

**BAPTIST CARE (SA) INCORPORATED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 1**

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

The assets' residual values 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. Residential aged care operations**

The Assembly of Baptist Churches SA Incorporated approved the recommendations of the Association during the financial year ended 30 June 2010 that it actively seek to dispose of its residential aged care facilities. During the year ended 30 June 2011 the Association successfully disposed of its residential aged care facilities at Morphet Vale comprising the Aldis Nursing Home and Allan Tinsley Hostel (short form name 'Aldis Tinsley').

During the year ended 30 June 2013, the Association disposed of the Playford Village Complex at Davoren Park, South Australia. The contract for sale was entered into on 31 January 2013. Settlement took place soon after 30 June 2013 with relevant bank funds received by the Association on 2 July 2013.

For the financial impact of the disposal of Playford Village Complex as recorded in the year ended 30 June 2013, refer Note 18.

**d. Baptist Care (SA) Foundation**

Baptist Care (SA) Foundation was formed on 11 January 2011 in accord with a resolution of the Assembly Board of Baptist Churches of South Australia and upon execution of the Trust Deed 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 gifted moneys to the Baptist Care (SA) Foundation as permanent contributions. The amounts gifted have been as follows:

Financial year ended	Gifted Amount \$
30 June 2012	504,389
30 June 2013	1,038
30 June 2014	14,500,542

These contributions have been expensed as donations by the Association during the relevant years.

The significant contribution made in the year ended 30 June 2014 was funded by receipt of the sale proceeds of Playford Village. This also resulted in the retirement of the Baptist Care (SA) Foundation Reserve which was established in the year ended 30 June 2013 to denote the resolution by the Board of Governors to commit a contribution of at least \$12 million arising from the sale. Refer Note 13.

The Association has received distributions from Baptist Care (SA) Foundation amounting to \$250,000 in the year ended 30 June 2014 and \$15,000 during the year ended 30 June 2013. This income is disclosed as part of operating income in these financial years.



**BAPTIST CARE (SA) INCORPORATED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 1**

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**e. 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 measured 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.

**f. 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.

**g. Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held 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.

**h. Grants received in advance**

Grants received in respect of future periods are disclosed as grants received in advance at year end (refer Note 12). Grants are treated as income in the period in which they are expended.

**BAPTIST CARE (SA) INCORPORATED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 1**  
**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**i. 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.

**j. Revenue**

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).

*Revenue from resident funded loans*

The loan amounts which are retained in accordance with the agreements of resident funded loans are taken to the statement of income and expenditure.

**k. Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian 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.

**l. 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.

**m. Comparative figures**

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

**BAPTIST CARE (SA) INCORPORATED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 1**

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**n. New accounting standards for application in future periods**

An assessment of Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the association and their potential impact on the association when adopted in future periods is discussed below:

- AASB 9: *Financial Instruments* (December 2010) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017).

These Standards will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

The key changes that may affect the association on initial application of AASB 9 and associated Amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items. Should the entity elect to change its hedge accounting policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

Although members of the Board anticipate that the adoption of AASB 9 may have an impact on the association's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 10: *Consolidated Financial Statements*, AASB 11: *Joint Arrangements*, AASB 12: *Disclosure of Interests in Other Entities*, AASB 127: *Separate Financial Statements* and AASB 128: *Investments in Associates and Joint Ventures* (as amended by AASB 2012-10: *Amendments to Australian Accounting Standards - Transition Guidance and Other Amendments*), and AASB 2011-7: *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* (applicable for annual reporting periods commencing on or after 1 January 2014).

AASB 10 replaces parts of AASB 127: *Consolidated and Separate Financial Statements* (March 2008, as amended) and Interpretation 112: *Consolidation - Special Purpose Entities*. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. This Standard is not expected to significantly impact the association's financial statements.

AASB 11 replaces AASB 131: *Interests in Joint Ventures* (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed). This Standard is not expected to significantly impact the association's financial statements.

**BAPTIST CARE (SA) INCORPORATED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 1**  
**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the association's financial statements.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. The revisions made to AASB 127 and AASB 128 are not expected to significantly impact the association's financial statements.

- AASB 2012-3: *Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard provides clarifying guidance relating to the offsetting of financial instruments and is not expected to significantly impact the association's financial statements.

- AASB 2013-3: *Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets* (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard amends the disclosure requirements in AASB 136: *Impairment of Assets* pertaining to the use of fair value in impairment assessment, but is not expected to significantly impact the association's financial statements.

- AASB 2013-4: *Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting* (applicable for annual reporting periods commencing on or after 1 January 2014).

AASB 2013-4 makes amendments to AASB 139: *Financial Instruments: Recognition and Measurement* to permit the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations.

This Standard is not expected to significantly impact the association's financial statements.

- AASB 2013-5: *Amendments to Australian Accounting Standards - Investment Entities* (applicable for annual reporting periods commencing on or after 1 January 2014).

AASB 2013-5 amends AASB 10: *Consolidated Financial Statements* by defining an "investment entity" and requiring that, with limited exceptions, the entity not consolidate its subsidiaries. The unconsolidated subsidiaries must also be measured at fair value through profit or loss in accordance with AASB 9. The amendments also introduce additional disclosure requirements. As the association does not meet the definition of an investment entity, this Standard is not expected to significantly impact the association's financial statements.

- Interpretation 21: *Levies* (applicable for annual reporting periods commencing on or after 1 January 2014).

Interpretation 21 clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time.

This Interpretation is not expected to significantly impact the association's financial statements.



**BAPTIST CARE (SA) INCORPORATED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 2</b>		
<b>REVENUE</b>		
Grants and subsidies	26,202,306	29,963,418
Fees and rents	1,979,276	4,232,225
Fundraising, bequests and donations (note 1d)	316,804	202,370
Interest	332,345	479,857
Meals and catering receipts	466,701	407,255
Retained loans and restatements	0	24,880
Sundry income	106,748	178,541
Baptist Care (SA) Foundation donation	250,000	15,000
	<u><b>29,654,180</b></u>	<u><b>35,503,546</b></u>

**NOTE 3**  
**SURPLUS**

a. Expenses

Rental expenses on operating leases:

- minimum lease payments	27,595	23,294
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b. Significant revenues and expenses

The following significant revenues and expenses are relevant in explaining the financial performance

Restatement of resident loans and surpluses (income)	0	24,880
Depreciation of property, plant and equipment (expense)	812,390	1,450,032
Loss on disposal of property, plant and equipment	150,685	899
Loss on sale of Playford Village	0	5,377,895

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**NOTES TO THE FINANCIAL STATEMENTS  
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	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 4</b>		
<b>AUDITORS REMUNERATION</b>		
Remuneration of the audit firm:		
- Auditing	36,000	48,000
- Consultancy	26,500	31,675
 <b>NOTE 5</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Cash on hand	9,000	9,879
Moneys on deposit	7,064,632	6,615,181
Residents' deposits	0	3,526
Cash at bank and other financial institutions	1,502,294	1,663,860
	<hr/>	<hr/>
<b>Total cash and cash equivalents</b>	<b><u>8,575,926</u></b>	<b><u>8,292,446</u></b>
 <b>NOTE 6</b>		
<b>TRADE AND OTHER RECEIVABLES</b>		
Service charges, rent receivable and other	177,017	470,272
Less: Provision for doubtful debts	0	(5,250)
	<hr/>	<hr/>
	177,017	465,022
Grants and subsidies receivable	3,500,690	3,887,271
Fees receivable	0	2,573
Net GST recoverable	0	21,650
Workers' compensation payments recoverable	40,800	15,170
Sale proceeds of Playford Village receivable	0	12,500,440
Other amounts receivable	114,291	0
	<hr/>	<hr/>
<b>Total trade and other receivables</b>	<b><u>3,832,798</u></b>	<b><u>16,892,126</u></b>
 <b>NOTE 7</b>		
<b>OTHER ASSETS</b>		
Prepayments	33,503	53,928
	<hr/>	<hr/>
<b>Total other assets</b>	<b><u>33,503</u></b>	<b><u>53,928</u></b>

**BAPTIST CARE (SA) INCORPORATED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 8</b>		
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
<b>LAND AND BUILDINGS</b>		
<b>Freehold Land at:</b>		
Independent valuation 2014 (2009)	2,704,450	1,570,000
Cost	<u>0</u>	<u>1,008,188</u>
Total Land	<u>2,704,450</u>	<u>2,578,188</u>
<b>Buildings at:</b>		
Independent valuation 2014 (2009)	4,825,550	65,000
Cost	<u>0</u>	<u>4,472,361</u>
Less accumulated depreciation	<u>0</u>	<u>(173,338)</u>
	<u>4,825,550</u>	<u>4,364,023</u>
Current construction cost	<u>0</u>	<u>997,735</u>
Total Buildings	<u>4,825,550</u>	<u>5,361,758</u>
<b>Leasehold Improvements at:</b>		
Independent valuation 2014 (2009)	1,688,000	1,794,000
Less accumulated depreciation	<u>0</u>	<u>(285,389)</u>
	<u>1,688,000</u>	<u>1,508,611</u>
Cost	60,636	599,872
Less accumulated depreciation	<u>(49,490)</u>	<u>(64,217)</u>
	<u>11,146</u>	<u>535,655</u>
Total Leasehold Improvements	<u>1,699,146</u>	<u>2,044,266</u>
Total Land and Buildings	<u><u>9,229,146</u></u>	<u><u>9,984,212</u></u>

**BAPTIST CARE (SA) INCORPORATED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 8</b>		
<b>PROPERTY, PLANT AND EQUIPMENT (continued)</b>		
<b>PLANT AND EQUIPMENT</b>		
Motor Vehicles at cost	1,187,364	1,366,642
Less accumulated depreciation	(446,039)	(507,475)
	<u>741,325</u>	<u>859,167</u>
Equipment at cost	2,989,286	2,856,119
Less accumulated depreciation	(1,726,909)	(1,521,696)
	<u>1,262,377</u>	<u>1,334,423</u>
Total plant and equipment	<u>2,003,702</u>	<u>2,193,590</u>
<b>Total property, plant and equipment</b>	<u><b>11,232,848</b></u>	<u><b>12,177,802</b></u>

**Revaluation**

Real property and leasehold improvements were revalued by licensed valuers as at 30 June 2014. These valuations were adopted as at 30 June 2014. As a result of the valuation, the asset revaluation reserve arising from previous valuation increments was eliminated and a total net decrement of \$208,127 was realised. This net decrement was expensed in the year ended 30 June 2014 in accord with accounting standards applicable to not-for-profit organisations.

**BAPTIST CARE (SA) INCORPORATED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 8**  
**PROPERTY, PLANT AND EQUIPMENT (continued)**

**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>\$</b>	<b>Buildings</b> <b>\$</b>	<b>Leasehold</b> <b>\$</b>	<b>Equipment</b> <b>\$</b>	<b>Motor</b> <b>Vehicles</b> <b>\$</b>	<b>Total</b> <b>\$</b>
Balance at the beginning of the year	2,578,188	5,361,758	2,044,266	1,334,423	859,167	12,177,802
Additions	0	505,696	43,960	458,073	294,991	1,302,720
Disposals	0	0	(6,897)	(173,557)	(213,364)	(393,818)
Transfers	0	66,515	(66,515)	0	0	0
Revaluation	126,262	(885,860)	(281,868)	0	0	(1,041,466)
Depreciation expense	0	(222,559)	(33,800)	(356,562)	(199,469)	(812,390)
Carrying amount at the end of the year	2,704,450	4,825,550	1,699,146	1,262,377	741,325	11,232,848

**BAPTIST CARE (SA) INCORPORATED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	2014 \$	2013 \$
<b>NOTE 9</b>		
<b>TRADE AND OTHER PAYABLES</b>		
Trade creditors	1,970,502	1,755,087
Other creditors and accruals	0	336,911
	<hr/>	<hr/>
<b>Total trade and other payables</b>	<b><u>1,970,502</u></b>	<b><u>2,091,998</u></b>
 <b>NOTE 10</b>		
<b>BORROWINGS</b>		
<b>CURRENT</b>		
<b>Unsecured Liabilities</b>		
Residents' deposits	0	3,526
Hire purchase liability - equipment	19,535	140,395
	<hr/>	<hr/>
<b>Total current borrowings</b>	<b><u>19,535</u></b>	<b><u>143,921</u></b>
<b>NON CURRENT</b>		
<b>Unsecured Liabilities</b>		
Loan - Westcare development	3,000	3,000
Hire purchase liability - equipment	0	35,916
	<hr/>	<hr/>
<b>Total non-current borrowings</b>	<b><u>3,000</u></b>	<b><u>38,916</u></b>
 <b>NOTE 11</b>		
<b>SHORT TERM PROVISIONS</b>		
Employee benefits - annual leave	567,538	531,520
Employee benefits - long service leave	185,708	203,784
	<hr/>	<hr/>
<b>Total short term provisions</b>	<b><u>753,246</u></b>	<b><u>735,304</u></b>
 <b>Analysis of short term provisions</b>		
Settled within 12 months	568,701	555,154
Settled greater than 12 months	184,545	180,150
	<hr/>	<hr/>
<b>Total provisions</b>	<b><u>753,246</u></b>	<b><u>735,304</u></b>

**BAPTIST CARE (SA) INCORPORATED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	2014 \$	2013 \$
<b>NOTE 12</b>		
<b>OTHER LIABILITIES</b>		
<b>CURRENT</b>		
Grants received in advance	2,173,155	2,086,630
	<hr/>	<hr/>
<b>Total current other liabilities</b>	<b><u>2,173,155</u></b>	<b><u>2,086,630</u></b>
<b>NON CURRENT</b>		
Property security bonds	6,508	0
	<hr/>	<hr/>
<b>Total non-current other liabilities</b>	<b><u>6,508</u></b>	<b><u>0</u></b>
<b>NOTE 13</b>		
<b>RESERVES</b>		
<b>ASSET REVALUATION RESERVE</b>		
Valuation increments on 216 Wright Street	0	69,490
Valuation decrements on 218 Wright Street	0	(24,504)
Valuation increments on Miller Court	0	597,794
Valuation increments on Westcare improvements	0	113,922
Valuation increments on Mylor improvements	0	76,637
	<hr/>	<hr/>
	0	833,339
	<hr/>	<hr/>
<b>ST LUKES DISTRIBUTION RESERVE</b>		
St Lukes distribution reserve	213,163	213,163
	<hr/>	<hr/>
	213,163	213,163
	<hr/>	<hr/>
<b>EMERGENCY APPEAL RESERVE</b>		
Emergency Appeal Reserve	0	17,277
	<hr/>	<hr/>
	0	17,277
	<hr/>	<hr/>
<b>BAPTIST CARE (SA) FOUNDATION RESERVE</b>		
Baptist Care (SA) Foundation Reserve	0	12,000,000
	<hr/>	<hr/>
	0	12,000,000
	<hr/>	<hr/>

**BAPTIST CARE (SA) INCORPORATED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	2014 \$	2013 \$
<b>SPINA BIFIDA HYDROCEPHALUS SERVICES RESERVE</b>		
Spina Bifida Hydrpcephalus Services Reserve	25,000	0
	<hr/> 25,000	<hr/> 0
<b>SPECIAL PROJECTS RESERVE</b>		
Special Projects Reserve	28,200	0
	<hr/> 28,200	<hr/> 0
<b>Total reserves</b>	<hr/> <b><u>266,363</u></b>	<hr/> <b><u>13,063,779</u></b>

**Reserves**

**Asset revaluation reserve**

The asset revaluation reserve records revaluations of non-current assets. The asset revaluation reserve was written back to zero upon revaluation of property as at 30 June 2014. Refer Note 8.

**St Lukes Distribution Reserve**

The St Lukes Distribution Reserve represents 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 Lukes 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 continues to honour this contribution through the recognition of this reserve and the continuation of the Westcare ministry.

**Emergency Appeal Reserve**

The Emergency Appeal Reserve was created in the year ended 30 June 2013 via resolution of the Board of Governance. This Reserve represents donation moneys received for emergency appeal toward the end of the year ended 30 June 2013 and that are disclosed as income for that year. This reserve was retired during the year ended 30 June 2014 upon utilisation of these moneys during this period.

**Baptist Care (SA) Foundation Reserve**

The Board of Governors resolved to create the Baptist Care (SA) Foundation Reserve as at 30 June 2013 to reflect the intention to set-aside \$12 million of the net assets of the Association for transfer to Baptist Care (SA) Foundation. This reserve was retired during the year ended 30 June 2014 upon payment of major contributions to the Baptist Care (SA) Foundation embracing the reserve together with other moneys. Refer Note 1d.

**Spina Bifida Hydrocephalus Reserve**

The Association created a new program of ministry during the year ended 30 June 2014 for assisting persons with Spina Bifida and Hydrocephalus. This reserve reflects the receipt of a donation toward this work that was received and recorded as income during the financial year but will be utilised in a future period.

**Special Projects Reserve**

This reserve represents donation moneys received for special projects toward the end of the year ended 30 June 2014 and that are disclosed as income for that year. These moneys are intended to be used in future financial years and the creation of the Special Projects Reserve reflects this intention.



**BAPTIST CARE (SA) INCORPORATED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
<b>NOTE 14</b>		
<b>CAPITAL AND LEASING COMMITMENTS</b>		
<b>Operating Lease Commitments</b>		
Operating leases contracted for but not capitalised in the financial statements.		
Payable - minimum lease payments		
- not later than 12 months	27,595	27,599
- between 12 months and 5 years	10,900	38,495
- greater than 5 years	0	0
	<u>38,495</u>	<u>66,094</u>

**NOTE 15**  
**CASH FLOW INFORMATION**

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

Surplus (Deficit) from operations	(12,737,065)	(3,073,407)
Cash flows excluded from surplus attributable to operations		
Non cash flows in surplus		
- Depreciation	812,390	1,450,032
- Loss on disposal of Playford Village	0	5,377,895
- Loss on sale of fixed assets	150,685	31,013
- Loss on revaluation of assets	208,127	0
Change in assets and liabilities		
- Decrease (Increase) in trade and other receivables	558,888	(1,760,659)
- Decrease (Increase) in prepayments	20,425	(30,058)
- (Decrease) Increase in trade payables and accruals	(121,496)	231,230
- (Decrease) in prepaid income	0	(78,025)
- Increase in employee benefits	17,942	68,052
- Increase (Decrease) in grants in advance	86,525	(406,919)
- (Decrease) in resident loans	0	(894,550)
- Increase in other liabilities	6,508	0
<b>Cash flow from operations</b>	<u><b>(10,997,071)</b></u>	<u><b>914,604</b></u>

Cash and cash equivalents at end of period are represented by

Cash and cash equivalents	8,575,926	8,292,446
	<u><b>8,575,926</b></u>	<u><b>8,292,446</b></u>

**BAPTIST CARE (SA) INCORPORATED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 16  
SEGMENT REPORTING**

	<b>Playford Village 6852</b>		<b>Aged Care Administration</b>	
<i>RAC Number</i>	<b>2014 \$</b>	<b>2013 \$</b>	<b>2014 \$</b>	<b>2013 \$</b>
<b>REVENUE</b>				
Australian Government subsidies	0	8,147,605	0	0
Fees and rents	0	1,917,296	0	2,088
Fundraising, bequests and donations (Note 1d)	0	0	0	737
Grants	0	0	0	0
Interest	0	0	0	309,854
Meals and catering receipts	0	0	0	0
Retained loans and repayment surpluses	0	24,880	0	0
Sundry income	0	5,969	0	65,378
Donations received – Baptist Care (SA) Foundation	0	0	0	0
<b>Total revenue</b>	<b>0</b>	<b>10,095,750</b>	<b>0</b>	<b>378,057</b>
<b>EXPENDITURE</b>				
Accreditation audit	0	1,114	0	0
Administration	0	208,782	0	73,066
Client support services	0	0	0	0
Community development	0	0	0	0
Contract and consulting	0	0	0	0
Depreciation	0	666,450	0	939
Domestic expenses	0	183,979	0	0
Food supplies	0	296,277	0	0
Fuel, light and power	0	242,287	0	0
Interest	0	18,208	0	0
Medical and therapy supplies	0	179,268	0	0
Motor vehicle expenses	0	5,193	0	0
Rent	0	0	0	0
Repairs and maintenance	0	94,192	0	0
Salaries, wages and related costs	0	7,335,518	0	336,735
Sundry expenses	0	0	0	899
Loss on disposal of Playford Village	0	5,377,895	0	0
Donation paid to Baptist Care (SA) Foundation (Note 1e)	0	0	0	0
<b>Total expenditure</b>	<b>0</b>	<b>14,609,163</b>	<b>0</b>	<b>411,639</b>
<b>SEGMENT RESULT</b>	<b>0</b>	<b>(4,513,413)</b>	<b>0</b>	<b>(33,582)</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 16  
SEGMENT REPORTING (cont)

<i>RAC Number</i>	Playford Village 6852	2013 \$	2014 \$	Aged Care Administration 2013 \$	2014 \$
<b>ASSETS</b>					
Segment assets	0	0	0	26,696,158	
<b>LIABILITIES</b>					
Segment liabilities	0	0	0	721,483	
<b>OTHER</b>					
Acquisitions of non-current segment assets	0	43,795	0	0	0
Depreciation and amortisation of segment assets	0	666,450	0	939	

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 16**  
**SEGMENT REPORTING (cont)**

	<b>AGED CARE</b>		<b>COMMUNITY SERVICES</b>		<b>ORGANISATION</b>	
	<b>TOTAL</b>	<b>2013</b>	<b>TOTAL</b>	<b>2013</b>	<b>TOTAL</b>	<b>2013</b>
	<b>2014</b>	<b>\$</b>	<b>2014</b>	<b>\$</b>	<b>2014</b>	<b>\$</b>
<b>REVENUE</b>						
Australian Government subsidies	0	8,147,605	0	0	0	8,147,605
Fees and rents	0	1,919,384	1,979,276	2,312,841	1,979,276	4,232,225
Fundraising, bequests and donations (Note 1d)	0	737	316,804	201,633	316,804	202,370
Grants	0	0	26,202,306	21,815,813	26,202,306	21,815,813
Interest	0	309,854	332,345	170,003	332,345	479,857
Meals and catering receipts	0	0	466,701	407,255	466,701	407,255
Retained loans and repayment surpluses	0	24,880	0	0	0	24,880
Sundry income	0	71,347	106,748	107,194	106,748	178,541
Donations received – Baptist Care (SA) Foundation	0	0	250,000	15,000	250,000	15,000
<b>Total revenue</b>	<b>0</b>	<b>10,473,807</b>	<b>29,654,180</b>	<b>25,029,739</b>	<b>29,654,180</b>	<b>35,503,546</b>
<b>EXPENDITURE</b>						
Accreditation Audit	0	1,114	0	0	0	1,114
Administration	0	281,848	1,117,815	917,967	1,117,815	1,199,815
Client support services	0	0	748,291	629,768	748,291	629,768
Community development	0	0	76,098	72,597	76,098	72,597
Contract and consulting	0	0	812,302	872,892	812,302	872,892
Depreciation	0	667,389	812,385	782,280	812,385	1,449,669
Domestic expenses	0	183,979	102,394	79,886	102,394	263,865
Food supplies	0	296,277	412,158	365,068	412,158	661,345
Fuel, light and power	0	242,287	240,157	229,137	240,157	471,424
Interest	0	18,208	0	3,033	0	21,241
Medical and therapy supplies	0	179,268	0	0	0	179,268
Motor vehicle expenses	0	5,193	521,242	506,393	521,242	511,586
Rent	0	0	864,904	550,176	864,904	550,176
Repairs and maintenance	0	94,192	432,677	328,398	432,677	422,590
Salaries, wages and related costs	0	7,672,253	21,307,958	18,019,285	21,307,958	25,691,538
Sundry expenses	0	899	234,195	198,233	234,195	199,132
Loss on disposal of Playford Village	0	5,377,895	0	0	0	5,377,895
Loss on revaluation of assets	0	0	208,127	0	208,127	0
Donation paid to Baptist Care (SA) Foundation (Note 1e)	0	0	14,500,542	1,038	14,500,542	1,038
<b>Total expenditure</b>	<b>0</b>	<b>15,020,802</b>	<b>42,391,245</b>	<b>23,556,151</b>	<b>42,391,245</b>	<b>38,576,953</b>
<b>SEGMENT RESULT</b>	<b>0</b>	<b>(4,546,995)</b>	<b>(12,737,065)</b>	<b>1,473,588</b>	<b>(12,737,065)</b>	<b>(3,073,407)</b>

**BAPTIST CARE (SA) INCORPORATED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 16  
SEGMENT REPORTING (cont)**

	<b>AGED CARE TOTAL</b>		<b>COMMUNITY SERVICES TOTAL</b>		<b>ORGANISATION TOTAL</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>						
Segment assets	0	19,148,963	23,675,075	18,267,339	23,675,075	37,416,302
<b>LIABILITIES</b>						
Segment liabilities	0	721,483	4,925,946	4,375,286	4,925,946	5,096,769
<b>OTHER</b>						
Acquisitions of non-current segment assets	0	43,795	1,302,720	1,924,074	1,302,720	1,967,869
Depreciation and amortisation of segment assets	0	667,389	812,390	782,643	812,390	1,450,032

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 17**  
**STATEMENT OF DONATIONS AND FUNDRAISING**

	Income \$	Direct Expenditure \$	Net Income \$
<b>DONATIONS AND FUNDRAISING REPORTED IN OPERATING RESULTS</b>			
Donations - General	129,063		129,063
Donations - Churches	71,215		71,215
Donations - Seasonal appeals and monthly sponsors	<u>115,984</u>	<u>2,420</u>	<u>113,564</u>
Total donations and fundraising	<u>316,262</u>	<u>2,420</u>	313,842
Bequests			542
Indirect costs associated with fundraising			
Salaries and on-costs			(13,486)
Office			<u>(2,277)</u>
<b>NET FUNDRAISING AVAILABLE FOR ALLOCATION</b>			<u><b>298,621</b></u>

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

<b>DIRECT SERVICES</b>		
WestCare Day Centre - general operations		202,382
WestCare Day Centre - pastoral care		10,250
WestCare Day Centre - welfare food purchases		210
WestCare Day Centre – Christmas gifts		4,893
Aboriginal services - general operations		3,894
Youth services - general operations		2,261
Refugee services - general operations		6,364
WestCare Arts		593
Prison Chaplaincy		14,032
<b>CAPITAL DEVELOPMENTS</b>		
Spina Bifida and Hydrocephalus Service Reserve		25,000
Special Projects Reserve		28,200
Bequests transferred to Baptist Care (SA) Foundation		542
		<u><b>298,621</b></u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 18  
DISCONTINUED OPERATIONS**

During the year ended 30 June 2013 Baptist Care (SA) disposed of Playford Village thereby discontinuing its operations of this business segment. Refer also Note 1c.

The Playford Village operation was sold via contract for sale on 31 January 2013 while settlement took place soon after 30 June 2013. These financial statement record an amount receivable in relation to the sale proceeds receivable as at 30 June 2013 amounting to \$12,500,440 – refer Note 6. This amount was received on 2 July 2013.

The financial disclosures pertaining to the operation of Playford Village in these financial statements are for the period 1 July 2012 to 30 June 2013.

Financial information relating to the discontinued operation to the date of disposal is set out below and at Note 16 - Segment Reporting.

	<b>Playford Village Combined Results</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Revenue	0	10,095,750
Expenses	0	(9,231,268)
	<hr/>	<hr/>
Surplus before disposal	0	864,482
	<hr/>	<hr/>
(Loss) on disposal	0	(5,377,895)
	<hr/>	<hr/>
<b>Total (Deficit) attributable to discontinued operation</b>	<b><u>0</u></b>	<b><u>(4,513,413)</u></b>

The loss recorded on the disposal of Playford Village was recorded in relation to the impaired book value of Playford Village's assets and liabilities.

The net cash flows from the discontinuing operation which have been incorporated into the statement of cash flows are as follows:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Net cash inflow from operating activities	0	1,472,047
Net cash inflow (outflow) from investing activities	12,496,914	(43,795)
Net cash inflow from financing activities	0	0
	<hr/>	<hr/>
<b>Net cash increase in cash generated by the discontinued operation</b>	<b><u>12,496,914</u></b>	<b><u>1,428,252</u></b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 19**  
**FINANCIAL INSTRUMENTS**

The entity's financial instruments consist mainly of:

**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 AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

**Financial assets**

		<b>2014</b>	<b>2013</b>
		<b>\$</b>	<b>\$</b>
Cash and cash equivalents	5	8,575,926	8,292,446
Trade and other receivables	6	3,832,798	16,892,126
		<hr/>	<hr/>
		<b>12,408,724</b>	<b>25,184,572</b>
		<hr/>	<hr/>

**Financial liabilities**

Financial liabilities at amortised cost			
- trade and other payables	9	1,970,502	2,091,998
- borrowings	10	19,535	182,837
		<hr/>	<hr/>
		<b>1,990,037</b>	<b>2,274,835</b>
		<hr/>	<hr/>

**Financial Risk Management Policies**

The Board of Governors together with the Chief Executive and Finance Director 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.



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 19**  
**FINANCIAL INSTRUMENTS (continued)**

**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 Instrument category</b>	<b>Assessed risk</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	Short term liabilities are not affected by changes in interest rates.
- borrowings	Low	All loans are at variable interest rates All hire purchase arrangements are at fixed rates set at the time of entering the contract arrangement. Residents deposits are not affected by changes in interest rates.

*Sensitivity analysis*

The following table illustrates sensitivities to the association's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit 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>\$</b>	<b>Equity</b> <b>\$</b>
<b>Year ended 30 June 2014</b>		
+ 1.00% in interest rates	+ 31,301	+ 31,301
- 0.75% in interest rates	- 10,434	- 10,434
<b>Year ended 30 June 2013</b>		
+ 1.00% in interest rates	+ 20,837	+ 20,837
- 0.50% in interest rates	- 15,628	- 15,628

**BAPTIST CARE (SA) INCORPORATED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 19  
FINANCIAL INSTRUMENTS (continued)**

	Within 1 Year		1 to 5 Years		Over 5 Years		Total
	2014	2013	2014	2013	2014	2013	
	\$	\$	\$	\$	\$	\$	
<b>Financial Liabilities</b>							
Trade and other payables - other	1,970,502	2,091,998	0	0	0	0	2,091,998
Borrowings - hire purchase arrangements	19,535	140,395	0	35,916	0	0	176,311
Borrowings - resident deposits	0	3,526	0	0	0	0	3,526
Borrowings - Westcare development	0	0	3,000	3,000	0	0	3,000
<b>Total Financial Liabilities</b>	<b>1,990,037</b>	<b>2,235,919</b>	<b>3,000</b>	<b>38,916</b>	<b>0</b>	<b>0</b>	<b>2,274,835</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 20**  
**CAPITAL MANAGEMENT**

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 21**  
**ASSOCIATION DETAILS**

The registered office of the association is:

Baptist Care (SA) Incorporated  
130 Rose Terrace  
Wayville 5034

The principal place of business is:

Baptist Care (SA) Incorporated  
130 Rose Terrace  
Wayville 5034