



**BAPTCARE LTD**

ACN 069 130 463  
ABN 12 069 130 463

**FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

**BAPTCARE LTD**

ACN 069 130 463

**CONTENTS**

Directors' Report	1
Auditor's Independence Declaration	8
Statement of Profit or Loss and Other Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to and Forming Part of the Financial Statements	13
Directors' Declaration	28
Auditor's Report	29

**DIRECTORS:**

Mr P A Curtis (Chairperson)  
 Ms R M Bradley  
 Mr R S Dawson  
 Mr M R Hick  
 Mr B Howard  
 Mr C J McKenna  
 Mrs J R Scenna

**COMPANY SECRETARY:**

Mr G R Dangerfield

**REGISTERED OFFICE:**

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**AUDITORS:**

Grant Thornton

**DIRECTOR'S REPORT 2014/15**

Your directors submit their report for the financial year ended 30 June 2015.

**1. DIRECTORS**

The names and details of the directors in office at the date of this report are listed below. Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Mr P A Curtis****Qualifications**

Chairperson

Bachelor of Laws (Monash University), Bachelor of Economics (Monash University), Member of Law Institute of Victoria.

**Experience**

Executive Director, Habitat for Humanity Australia (Victoria) Inc. since 2010, Partner of Moores Legal 1992 to 2009, Practising lawyer since 1983, Member AICD, Chairman of Whitehorse Business Group 2000-2003, Chairman of CHBC Links Inc. 2002-2014. Member of Croydon Hills Baptist Church. Board member of Habitat for Humanity Australia (Victoria) Inc since December 2008.

Baptcare Board member from May 2005.

**Special****Responsibilities**

Member of the Board Policy Committee.

Member of the Finance and Audit Committee.

Member of the Remuneration Committee.

Member of the Nomination Committee.

Member of the Risk Committee.

Director of Baptcare Affordable Housing Ltd.

**Ms R M Bradley****Qualifications**

Bachelor of Applied Science La Trobe University, CCRN Royal Adelaide Hospital, Professional Certificate in Health Systems Management – Business Systems Melbourne University 2011, Professional Certificate Competitive Manufacturing (lean) Ashley Institute 2012. Master of Business Administration (MBA) Majors: quantitative management, corporate strategy, services marketing, financial management, coursework complete.

**Experience**

Member of Australian Institute of Company Directors, Member Australasian College of Health Services Management (mentor to Management Residency Program trainee), Member Australian College of Nursing, Senior Program Advisor Commission for Hospital improvement, Service Improvement Lead/Senior Business Analyst St Vincent's Health Melbourne. Past Board member and Treasurer of Doutta Galla Health Service. Church Council and member Essendon Baptist Church.

Baptcare Board member from July 2012.

**Special****Responsibilities**

Chairperson of the Board Policy Committee.

**BAPTCARE LTD**

ACN 069 130 463

**Mr R S Dawson**

## Qualifications

Bachelor of Arts (Macquarie University), Diploma of Education (Macquarie University), Graduate Diploma of Business (Monash University), Fellow of the Australian Institute of Management, Member of the Australian Institute of Company Directors.

## Experience

Chief Executive, Manningham Centre. Former Chief Executive, Catholic Homes for the Elderly, Canterbury Centre, Noraccomm. Senior Executive level experience in aged care (24 years) and disability services (5 years). Former Chairman of Supply.com Australia Ltd. Committee member Aged Care Victoria, Committee member and Treasurer of Noraccomm. Longstanding member of Eltham Baptist Church; has served as a Council member, Treasurer and Chair of the Property Committee. Baptcare Board member from October 2011.

## Special Responsibilities

Chairperson of the Quality & Clinical Governance Committee.  
Director of Baptcare Affordable Housing Ltd.

**Mr M R Hick**

## Qualifications

Bachelor of Business (Accounting) (Royal Melbourne Institute of Technology), Master of Business Administration (Monash University), Certified Practising Accountant, Graduate Diploma in Applied Corporate Governance (Governance Institute of Australia).

## Experience

Over 20 years of financial and commercial management experience in a variety of sectors including manufacturing, publishing, FMCG, private equity and recruitment, education and training. Currently holds the position of Chief Financial Officer. Attended Syndal Baptist Church for 21 years. Baptcare Board member from March 2010.

## Special Responsibilities

Treasurer, Chairman of the Finance and Audit Committee.  
Member of the Remuneration Committee.  
Member of the Nomination Committee.

**Mr C J McKenna**

## Qualifications

Bachelor of Economics (Monash University), Graduate Diploma of Management (Royal Melbourne Institute of Technology).

## Experience

Managing Director, Black & Decker Australia and New Zealand (consumer durable goods) for 8 years. Overseas assignments in Singapore and USA. Marketing leadership roles over 10 years including roles in local and state government. Member of the Society of Friends (Elder).

Baptcare Board member from January 2008.

## Special Responsibilities

Member of the Risk Committee.

# BAPTCARE LTD

ACN 069 130 463

Baptcare

## **Mrs J R Scenna**

### Qualifications

Bachelor of Commerce (Finance), University of Auckland, New Zealand.  
Bachelor of Arts (Economics), University of Auckland, New Zealand.

### Experience

Director for Government & Multilaterals at World Vision Australia. Over 10 years in senior management roles in international and community development, spanning policy and programmes management, strategy, operations and business development. Background in economic and management consulting.

Baptcare Board member from July 2012

### Special Responsibilities

Member of the Quality & Clinical Governance Committee.  
Director of Baptcare Affordable Housing Ltd.

## **Mr B Howard**

### Qualifications

Bachelor of Commerce (Deakin University), Associate Diploma in Business (Gordon TAFE), Full member of CPA Australia

### Experience

Chief Operating Officer, Karingal. Over 15 years commercial experience with the last nine years in senior public and private health management roles. President of the Australian Health Services Financial Management Association since May 2013. Licensee and Board Member of Kardinia Kids Childcare since 2007.

Baptcare Board member from September 2013.

### Special Responsibilities

Member of the Finance and Audit Committee.

## 2. REVIEW OF OPERATIONS

### Company

Baptcare is a welfare agency of the Baptist Union of Victoria. Our objectives are as follows:

- Plan and promote Christian social services within Victoria and Tasmania and to co-ordinate the various social service activities of the Union and churches of the Union;
- To provide welfare, health and community services to people who are disadvantaged by reason of their physical, emotional, economic or social circumstances;
- To provide relief to individuals, families and children who are in necessitous circumstances because of poverty, destitution, suffering or helplessness;
- To undertake or carry out any other charitable purpose including co-operating with the churches of the Baptist Union of Victoria and Tasmania.

Baptcare pursues excellence in every aspect of its work, integrating its holistic approach to care for each and every individual regardless of their faith, monetary, cultural or lifestyle backgrounds.

Baptcare's objectives are guided and motivated to achieve its Mission by Christian values.

The Company's strategic goals include:

- Living our Christian ethos.
- Placing our customer at the heart of what we do.
- Striving to give people more independent lives.
- Creating connected communities.

The fulfilment of the organisation's objectives is expressed in the delivery of the following principal services and programs:

- The operation of aged care facilities for aged and disabled people.
- The provision of independent living units and assisted living units for aged people.
- The provision of day care centres and Community Aged Care Packages to the aged in the community.
- Provision of personal care, nursing and allied health services.
- The provision of domiciliary nursing services in the City of Moreland.
- The provision of family community programs, including foster care, counselling, preventative education, disability support services, gateway services, iCare and asylum seeker accommodation.

No significant change in the nature of those activities occurred during the financial year.

Baptcare measures and monitors performance in a variety of ways including:

- The preparation of annual budgets for each program and service that are reviewed and approved by the Finance & Audit Committee and the Board;
- Monthly review and analysis undertaken by the CEO, General Managers, Program Managers, Finance team, Finance & Audit Committee and the Board of actual performance against approved budget for each program and service;
- The monitoring of key KPI's including EBITDA, occupancy ratios, performance against Government targets as well as benchmarking against the industry; and
- Service delivery risk, quality and clinical performance, including regulatory/legislative compliance, clinical education and incidence reporting are monitored by the Quality & Clinical Governance Committee.

**BAPTCARE LTD**

ACN 069 130 463

Operating revenue for the year was \$150m, growing by 4.2%, 79.3% of the funding is received from State and Commonwealth Governments and 17.9% received from client and resident fees.

A net surplus of \$3.1m was generated after allowing for a \$10.5m write off for buildings, and a \$1.2 m donation to Baptcare Affordable Housing Limited producing a strong operating cash surplus of \$29m before allowing for investments in capital improvements and acquisition of development sites of \$40m.

Operating expenditures grew by 14.0% to \$147m during the year. Direct client and resident services costs represent 17.2%, with employee costs representing 53.9% of total operating expenditure.

Baptcare is a not-for-profit faith-based charitable organisation. In order to sustain its charitable activities, achieve the Board's 5 year investment and development strategy, and to continue to provide for the future replacement of operating assets, it is critical that Baptcare makes strong cash surpluses overall. Baptcare remains in a very strong financial position, with excellent cash flows, quality buildings, and a sustainable business model with strong growth plans.

The highlights for Aged Care Operations Division were:

Our major focus in the past year has been on transitioning our home care package clients to consumer directed care by the legislated 1 July 2015 timeline. We successfully achieved the transition of our 1,570 clients in June 2015. We have created an environment where clients remain in control of their own lives by using a combination of Baptcare-employed staff and formal service partnerships to increase flexibility and choice in service provision. All clients now receive a monthly statement detailing the income and expenditure relating to their package and the unspent funds at the end of each month.

In our residential aged care homes, a new requirement commenced on 1 July 2014, where we were required to set a price for every room in our facilities and to publish these, along with a features statement, on the My Aged Care website established by the Commonwealth government. During the year, following completion of major upgrade works, we successfully applied for the Significant Refurbishment funding for five of our facilities. We have commenced the rebuilding of two of our facilities: Strathalan and Wyndham Lodge. These projects will be completed in 2016.

We undertook an independent survey of all clients in our aged care programs and benchmarked the results with other providers across the sector. Our clients expressed high levels of satisfaction with the overall care and services they receive. These results achieved were higher than for the previous year. Action plans were developed on the lower scoring aspects to improve service levels even further.

In line with our mission, we have set targets around accessibility to our programs for clients experiencing financial and social disadvantage. For residential places we achieved 43% and for community places we achieved 53%.

During the year 5 of our residential facilities and 4 community programs underwent quality audits conducted by the Department of Social Services. All of our services were fully compliant to the accreditation standards.

**BAPTCARE LTD**

ACN 069 130 463

We are expanding our residential aged care and retirement living services. During the year we commenced construction for the redevelopment of Strathalan and Wyndham Lodge. We received town planning approval for Templestowe Orchards and a new facility at Valley Park in Broadmeadows. In addition, we have lodged town planning applications for two new developments in Lalor and Norlane. All of our new developments will comprise residential aged care that focuses on specialist dementia care, retirement living and wellness centres that will allow people to enjoy a range of health and lifestyle activities.

We received another Better Practice Awards during the year, our ninth in the past 4 years. The award was for the reduction in the use of psychotropic medication in our residential facilities.

The highlights for the Family and Community Services Division were:

The Family and Community Services Division continues to provide support and services that best meets needs to vulnerable children, young people and families across Victoria and Tasmania.

In Victoria, the focus on operational excellence has seen a consistent improvement in performance against contractual requirements. The foster carer recruitment campaign has been effective in registering an additional 15 foster carers. The therapeutic practice project has continued to increase the capacity of staff and carers to respond to the increasingly complex needs of children and families. The Victorian Division has commenced preparation for National Disability Insurance Scheme (NDIS), including learning from Tasmania's experience and operational excellence in this space.

In Tasmania, the Division is working closely with National Disability Insurance Agency (NDIA) to deliver Local Area Coordination for the NDIA and is participating directly in successful rollout of NDIS in the Tasmanian state trial site. The Division has successfully developed and implemented Individualised Mental Health Packages in the state of Tasmania, providing further breadth to the Division's range of program service delivery, and is based on a flexible and innovative fee for service model. Further development and growth of the Motor Accident Insurance Board (MAIB) and Complex Care Coordination (under NDIS) have continued to building capacity in the provision of 'fee for service'.

Baptcare continued to financially support the delivery of services and community support through the Home Start Bendigo program, as well as the Sanctuary program located in Brunswick and Preston. Both sites have provided transitional accommodation, casework support and pastoral care for a total of 70 Asylum Seekers during the 2014/15 period.



# BAPTCARE LTD

ACN 069 130 463

Baptcare

## 3. DIRECTORS' MEETINGS

During the financial year, 40 meetings of directors (including committees and AGM) were held. Attendances were:

Director	Board Meetings		Committee Meetings							
			Finance and Audit Committees		Quality & Clinical Governance		Board Policy Committee		Remuneration Committee	
	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible
Mrs K D Bradley – <i>resigned 28 May 2015</i>	10	11			7	9				
Ms R M Bradley	8	12					5	5		
Mr P A Curtis	12	12					5	5	2	2
Mr R S Dawson	10	12			8	10				
Mr M R Hick	12	12	11	11					2	2
Mr B Howard	7	12	11	11						
Mr C J McKenna	11	12	4	4						
Mrs J R Scenna	10	12			10	10				
Mr P D Trebilcock – <i>resigned 25 September 2014</i>	4	4					1	1		

## 4. MEMBERS FUNDS

Baptcare is a company limited by guarantee, incorporated and domiciled in Australia. Under its constitution, the Company is unable to distribute its funds to its members by way of dividend or like arrangement. The liability of each member in the event of winding up the Company is limited to ten dollars. As at 30 June 2015 there were 7 members of the Company (2014: 9).

## 5. AUDITORS INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 8 of the financial report.

Signed in accordance with a resolution of the Board of Directors.



**Philip A Curtis**  
Director



**Matthew R Hick**  
Director

Camberwell, 27<sup>th</sup> August, 2015.

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**Auditor's Independence Declaration**  
**To the Directors of Baptcare Ltd**

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012*, as lead auditor for the audit of Baptcare Ltd for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



B. L. Taylor  
Partner - Audit & Assurance

Melbourne, 27 August 2015

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**BAPTCARE LTD**  
**STATEMENT OF PROFIT OR LOSS AND**  
**OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED**  
**30 JUNE 2015**

	Note	2015 \$000	2014 \$000
REVENUE	3	150,079	144,071
Employee benefits expense		(79,221)	(72,998)
Depreciation, amortisation and impairment expenses		(19,386)	(8,432)
Client costs		(15,986)	(17,902)
Domestic costs		(3,010)	(2,838)
Food services		(6,318)	(6,205)
Property maintenance		(3,356)	(3,302)
Services and utilities		(5,167)	(5,023)
Other expenses		(14,520)	(12,175)
TOTAL EXPENSES		(146,964)	(128,876)
SURPLUS BEFORE INCOME TAX		3,115	15,195
Income tax expense	1 (d)	-	-
SURPLUS FOR THE YEAR		3,115	15,195
OTHER COMPREHENSIVE INCOME		-	-
Other comprehensive income for the period		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		3,115	15,195

The accompanying notes form part of these financial statements.

**BAPTCARE LTD**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2015**

	Note	2015 \$000	2014 \$000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	6,381	4,611
Trade and other receivables	6	5,820	12,907
Other financial assets	7	82,050	62,000
Other assets	8	2,011	1,874
<b>TOTAL CURRENT ASSETS</b>		<b>96,262</b>	<b>81,392</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	120,391	104,115
Investment Properties	10	82,034	78,533
Intangibles	11	18,944	18,762
<b>TOTAL NON-CURRENT ASSETS</b>		<b>221,369</b>	<b>201,410</b>
<b>TOTAL ASSETS</b>		<b>317,631</b>	<b>282,802</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	160,343	129,949
Provisions	13	4,870	6,680
Other liabilities	14	4,169	4,042
<b>TOTAL CURRENT LIABILITIES</b>		<b>169,382</b>	<b>140,671</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	13	6,164	3,161
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>6,164</b>	<b>3,161</b>
<b>TOTAL LIABILITIES</b>		<b>175,546</b>	<b>143,832</b>
<b>NET ASSETS</b>		<b>142,085</b>	<b>138,970</b>
<b>EQUITY</b>			
Reserves and government grants	15	-	3
Retained earnings		142,085	138,967
<b>TOTAL MEMBERS' FUNDS</b>		<b>142,085</b>	<b>138,970</b>

The accompanying notes form part of these financial statements.

**BAPTCARE LTD**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED**  
**30 JUNE 2015**

	Reserves	Retained Earnings	Total
	\$000	\$000	\$000
<b>BALANCE AT 1 JULY 2013</b>	2,915	123,772	126,687
Surplus for the year	-	15,195	15,195
Transfers to profit or loss	(2,912)	-	(2,912)
Other comprehensive income	-	-	-
Total comprehensive income	(2,912)	15,195	12,283
<b>BALANCE AT 30 JUNE 2014</b>	3	138,967	138,970
<b>BALANCE AT 1 JULY 2014</b>	3	138,967	138,970
Surplus for the year	-	3,115	3,115
Other comprehensive income	-	-	-
Total comprehensive income	-	3,115	3,115
Transfers to between reserves	(3)	3	-
<b>BALANCE AT 30 JUNE 2015</b>	-	142,085	142,085

The accompanying notes form part of these financial statements.

**BAPTCARE LTD**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2015**

	<b>2015</b>	<b>2014</b>
	<b>\$000</b>	<b>\$000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from residents, clients and customers	<b>28,427</b>	24,947
Receipts from governments	<b>120,434</b>	108,483
Proceeds from capital grants, legacies and donations	<b>501</b>	452
Interest received	<b>2,643</b>	3,382
Payments to suppliers and employees	<b>(119,459)</b>	(126,310)
Net cash provided by operating activities	<b>32,546</b>	10,953
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of short term deposits	<b>(20,050)</b>	(25,031)
Proceeds from sale of investments	<b>-</b>	29,364
Acquisition of business	<b>(182)</b>	-
Proceeds from sale of property, plant and equipment	<b>525</b>	717
Payment for property, plant and equipment and investment property	<b>(39,681)</b>	(11,981)
Net cash used in investing activities	<b>(59,388)</b>	(6,931)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from residents' accommodation bonds	<b>34,326</b>	12,461
Refunds of entry contributions and accommodation bonds	<b>(10,224)</b>	(16,659)
Proceeds from ILU licence fees	<b>8,931</b>	7,349
Refund of ILU licence fees	<b>(4,421)</b>	(4,857)
Net cash provided by/(used in) financing activities	<b>28,612</b>	(1,706)
<b>NET (DECREASE)/INCREASE IN CASH HELD</b>	<b>1,770</b>	2,317
<b>CASH AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>4,611</b>	2,294
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	<b>6,381</b>	4,611

The accompanying notes form part of these financial statements.

**BAPTCARE LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2015**

**NOTE 1 NATURE OF THE COMPANY**

Baptcare Ltd (the Company) is a company limited by guarantee, incorporated and domiciled in Australia. Under its constitution, the Company is unable to distribute its funds to its members by way of dividend or like arrangement. The liability of each member in the event of winding up the Company is limited to ten dollars. As at 30 June 2015, there were 7 members of the Company (2014: 9).

**NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of accounting**

The financial report is a general purpose financial report that has been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements, the requirements of the Australian Charities and Not-for-profits Commission Act 2012, Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board (the AASB). Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report 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 this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accrual basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

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

**b) Statement of compliance**

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ("IFRS").

**c) Critical accounting estimates and judgments**

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

The accounting policies detailed in note 2 provide details of these estimates, judgments and assumptions.

**d) Income tax and Goods and Services Tax (GST)**

The Company is exempt from income tax under Section 50 - 5 of the Income Tax Assessment Act, 1997.

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 Statement of Financial Position are shown inclusive of GST. Cash flows in the Statement of Cash Flows are inclusive of GST.

**e) Property, plant and equipment**

Properties, plant and equipment are brought to account at cost less, where applicable, any accumulated depreciation and impairment losses. The depreciable amount of all fixed assets, including buildings but excluding freehold land, is depreciated over their useful lives commencing from the time the asset is held ready for use.

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 company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they are incurred.

**BAPTCARE LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2015**

**e) Property, plant and equipment (cont'd)**

Depreciation on buildings is charged using the straight line method over the estimated useful life of the asset. Depreciation on leasehold improvements is charged using the straight line method over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Depreciation on furniture and equipment including computer equipment is charged using the straight line method over the estimated useful lives of the assets. Depreciation on motor vehicles is charged using the reducing balance method over the estimated useful life of the asset.

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is disclosed in the notes to the Statement of Profit or Loss and Other Comprehensive Income in the year of disposal. Capital expenditure included in buildings in the course of construction completed during the year is transferred to land and buildings.

Depreciation rates used for each class of depreciable asset are:

<u>Class of fixed asset</u>	<u>Rate</u>
Buildings	2.50% - 3.25%
Investment properties	2.50%
Leasehold improvements	10% - 100%
Plant and equipment	10% - 25%
Investment properties plant and equipment	10% - 25%
Motor vehicles	7.5% - 20%

**f) Investment property**

Investment property is property, both land and building, which is held to generate deferred management fees, rental tenancy income and retentions. Investment properties are held for rental and are measured on the cost basis including transaction costs less, where applicable, any accumulated depreciation. Investment property is representative of independent living units, and land banked property that may have dwellings thereon.

**g) Intangible assets**

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

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

**h) Impairment of assets**

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

Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

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

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



**BAPTCARE LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2015**

**i) Revenue recognition**

Revenue from the rendering of services is recognised upon the delivery of the service to the customer. Government grants are recognised as revenue upon receipt of the grant except in those circumstances where it is considered to be a reciprocal transfer and the obligations of the grant have not yet been met. Revenue from the sale of goods is recognised upon delivery of goods to customers. 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.

**j) Entry contributions, accommodation bonds and accommodation payments**

Entry contributions are recognised as a receivable and a liability at the time each resident agreement is entered into. Under the provisions of Section 10F of the Aged or Disabled Persons' Care Act, 1954 (C'wlth), the Company is entitled to retain fixed portions (retentions) of those contributions. The proportion of entry contributions retainable is brought to account as income at the time that it becomes non-refundable to the resident. Accommodation bonds and accommodation payments are treated the same as entry contributions, except that Section 57 (19) of the Aged Care Act 1997 (C'wlth) applies.

Accommodation payments are treated the same as entry contributions and accommodation bonds except that Section 52 (E) of the Aged Care Act (C'wlth) applies. Entry contributions, accommodation bonds and accommodation payments are treated as a financial liability with a demand feature and have been discounted from the first date the entry contribution, accommodation bond or accommodation payment could be required to be paid.

**k) Independent living unit (ILU) licence fees**

The provisions of the Retirement Villages Act 1986 (Victoria) and the Retirement Villages Act 2004 (Tasmania) apply to the Company's dealings in independent living unit licences. ILU licence fees are recognised as a receivable and a liability at the time the licence agreement is executed. The agreements with residents provide for the company to retain management fees on a deferred basis, and the proportion of licence fees retainable is brought to account as income at the time that it becomes non-refundable to the licensee. Some management fees are linked to the resale value of the ILU which are recognised on a straight line basis upon an assessment of the market value of the ILU at each reporting date. In addition some of the licence agreements provide for the Company to receive a share of any capital gain on re-sale of the licences to a subsequent entrant. Such amounts are recognised as an expense progressively based upon the market value of the ILU as at reporting date. Independent living unit licence fees are treated as a financial liability with a demand feature and have been discounted from the first date the licence fees could be required to be paid.

**l) Cash and cash equivalents**

Cash and cash equivalents include cash on hand and deposits held at call with banks.

**m) Employee benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, including related on costs. 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.

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

**n) Receivables**

Trade receivables are recorded at amounts due for services rendered less any provision for impairment loss. Accrued income is recorded as income earned which had not been credited to the Company at reporting date. Entry Contribution, Accommodation Bond and ILU Licence Fee debtors are recorded in accordance with the policies outlined in Notes 2(j) and 2(k).

**o) Trade payables**

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

**p) Financial assets**

Financial assets are initially measured at cost on trade date which includes transaction costs. Subsequent to initial recognition these assets are measured as set out below:

Held to maturity investments – These investments have fixed maturities and it is the Company's intention to hold these investments until maturity.

**BAPTCARE LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2015**

**p) Financial assets (cont'd)**

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. They are held at fair value with changes in fair value taken through the financial assets reserve directly in equity.

**q) Specific reserves and government grants**

Specific reserves and government grants represent an accumulation of members' funds which have been set aside for specific purposes.

**r) Borrowing costs**

Borrowing costs are expensed in the period in which they occur.

**s) Leases**

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

**t) Financial instruments**

*Recognition and Initial Measurement*

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Company 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 profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

*Derecognition*

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

*Classification and Subsequent Measurement*

**(i) Financial assets at fair value through profit or loss**

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

**(ii) 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.

**(iii) Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

**(iv) Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. They are held at fair value with changes in fair value taken through the financial assets reserve directly in equity.

**BAPTCARE LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2015**

**t) Financial instruments (cont'd)**

**(v) Financial liabilities**

Non-derivative financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

**Fair value**

Fair value is determined based on current prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**Impairment**

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired.

**u) Rounding**

The entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial statements and directors' reports have been rounded off to the nearest \$1,000, or in certain cases, the nearest dollar.

**v) New accounting standards and AASB interpretations**

Certain new accounting standards and AASB interpretations have been published that are not mandatory for 30 June 2015 reporting periods but contain an option for early adoption. The Company has reviewed each of these new standards and interpretations and is satisfied that they have no impact on the reported financial position and performance of the Company for the year ended 30 June 2014, and therefore there has been no early adoption of these standards.

**BAPTCARE LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2015**

	2015 \$000	2014 \$000
<b>NOTE 3 REVENUE</b>		
Gross revenue from residents, clients and customers	19,753	19,108
Government subsidies and contributions for service	119,053	108,204
Accommodation charges, bond retentions, and Deferred Management Fees	7,070	7,198
Sale of goods	69	66
Interest	2,855	2,390
Investment income	-	595
Donations, bequests and legacies	501	452
Discount on acquisition of business	-	(377)
Other revenue	776	6,435
Total revenue from operating activities	<u>150,079</u>	<u>144,071</u>

**NOTE 4 OPERATING PROFIT**

Operating profit before income tax expense has been determined after:

**a) Charging as expense:**

Depreciation of non-current assets:

- Buildings	3,957	3,911
- Leasehold improvements	482	414
- Plant and equipment	3,766	3,349
- Motor vehicles	732	758
Total depreciation	9 & 10 <u>8,937</u>	<u>8,432</u>
Write offs of land and buildings	10,449	-
Total Depreciation, amortisation and impairment	<u>19,386</u>	<u>8,432</u>

**NOTE 5 CASH AND CASH EQUIVALENTS**

Cash on hand	76	47
Cash at bank	6,305	4,564
Total cash and cash equivalents	<u>6,381</u>	<u>4,611</u>

**NOTE 6 TRADE AND OTHER RECEIVABLES**

**CURRENT**

Trade receivables	2,885	4,384
Provision for impairment	(363)	(231)
	<u>2,522</u>	<u>4,153</u>

Entry contribution, accommodation bond and licence fee debtors	2 (j) & (k) <u>2,284</u>	7,436
Accrued income - other	916	705
Other receivables	40	581
Receivables due from related entities	58	32
Total trade and other receivables	<u>5,820</u>	<u>12,907</u>

Receivables due from related entities are \$58,142 (2014: \$32,142).

**NOTE 7 OTHER FINANCIAL ASSETS**

**CURRENT**

Term Deposits	82,050	62,000
Total other financial assets	<u>82,050</u>	<u>62,000</u>

See note 2(t) for a description of the accounting policies for each category of the financial assets.

**NOTE 8 OTHER ASSETS**

**CURRENT**

Prepayments	823	1,187
Other current assets	1,188	687
Total other assets	<u>2,011</u>	<u>1,874</u>

**BAPTCARE LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2015**

	2015 \$000	2014 \$000
<b>NOTE 9 PROPERTY, PLANT AND EQUIPMENT</b>		
<b>LAND AND BUILDINGS</b>		
Land and buildings at cost	91,616	100,420
Accumulated depreciation	(23,516)	(22,505)
	<u>68,100</u>	<u>77,915</u>
Leasehold improvements at cost	3,867	3,614
Accumulated depreciation	(2,469)	(1,986)
	<u>1,398</u>	<u>1,628</u>
Carrying amount of building works in the course of construction	22,591	5,816
Total land and buildings	<u>92,089</u>	<u>85,359</u>
<b>PLANT AND EQUIPMENT</b>		
Plant and equipment at cost	32,785	28,564
Accumulated depreciation	(17,408)	(15,274)
	<u>15,377</u>	<u>13,290</u>
Carrying amount of building works in the course of construction	9,729	2,071
Motor vehicles at cost	5,151	5,205
Accumulated depreciation	(1,955)	(1,810)
	<u>3,196</u>	<u>3,395</u>
Total plant and equipment	<u>28,302</u>	<u>18,756</u>
<b>Total property, plant and equipment</b>	<u>120,391</u>	<u>104,115</u>

Reconciliations of the carrying amounts of each class of asset at the beginning and end of the current financial year are set out below:

	Land & Buildings \$000	Leasehold Improvements \$000	Work in Progress \$000
<b>Balance at 1 July 2014</b>	77,915	1,628	7,887
Additions	121	252	24,433
Disposals	(33)	-	-
Transfers in/(out)	575	-	-
Write offs	(7,890)	-	-
Depreciation expense	(2,588)	(482)	-
<b>Balance at 30 June 2015</b>	<u>68,100</u>	<u>1,398</u>	<u>32,320</u>

  

	Plant & Equipment \$000	Motor Vehicles \$000	Total \$000
<b>Balance at 1 July 2014</b>	13,290	3,395	104,115
Additions	7,113	1,104	33,023
Disposals	(490)	(571)	(1,094)
Transfers in/(out)	-	-	575
Write offs	-	-	(7,890)
Impairment	(770)	-	(770)
Depreciation expense	(3,766)	(732)	(7,568)
<b>Balance at 30 June 2015</b>	<u>15,377</u>	<u>3,196</u>	<u>120,391</u>

**BAPTCARE LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2015**

	2015 \$000	2014 \$000
<b>NOTE 10 INVESTMENT PROPERTIES</b>		
<b>INDEPENDENT LIVING UNITS</b>		
Carrying amount at the beginning of the year	49,909	50,709
Additions	98	-
Write offs	(1,788)	-
Depreciation expense	(1,369)	(800)
Carrying amount at the end of the year	46,850	49,909
<b>DEVELOPMENT LAND AND BUILDINGS</b>		
Carrying amount at the beginning of the year	28,624	27,780
Additions	6,560	1,975
Transfers in/(out)	-	(1,131)
Carrying amount at the end of the year	35,184	28,624
<b>TOTAL INVESTMENT PROPERTY</b>		
Carrying amount at the beginning of the year	78,533	78,489
Additions	6,658	1,975
Write offs	(1,788)	-
Transfers in/(out)	-	(1,131)
Depreciation expense	(1,369)	(800)
Carrying amount at the end of the year	82,034	78,533
<b>NOTE 11 INTANGIBLES</b>		
<b>BED LICENCES</b>		
Carrying amount at the beginning of the year	2 (g) 11,100	11,100
Carrying amount at the end of the year	11,100	11,100
<b>GOODWILL</b>		
Carrying amount at the beginning of the year	7,662	7,662
Acquired through business combination	182	-
Carrying amount at the end of the year	7,844	7,662
Total intangible assets	18,944	18,762

On an annual basis the recoverable amount of intangible assets, being the higher of the asset's fair value less costs to sell and value in use, is compared to carrying value to determine whether there is any impairment. On this basis, no impairment loss has been recognised in 2015 (2014: nil).

**Impairment testing**

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

<u>Bed licenses:</u>		
	Growth rate	Discount rate
2014	0%	15%
2015	0%	15%

<u>Goodwill:</u>		
	Growth rate	Discount rate
2014	0%	15%
2015	0%	15%

**Growth rates**

The growth rates reflect the long-term average growth rates for the industries of these segments (all publicly available) and considers any recent regulatory and policy changes. Recently there have been policy changes which see the growth rate for the industry being unreliable and therefore relatively static.

**Discount rates**

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

**BAPTCARE LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2015**

**NOTE 11 INTANGIBLES (CONT'D)**

**Terminal value**

The terminal value has been estimated on the basis of a perpetuity or an annuity with a rising yield, 1.5%.

**Cash flow assumptions**

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

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

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

		<b>2015</b>	<b>2014</b>
		<b>\$000</b>	<b>\$000</b>
<b>NOTE 12 TRADE AND OTHER PAYABLES</b>			
<b>CURRENT</b>			
Trade payables and accrued expenditure	2 (o)	<b>17,512</b>	12,453
Capital development fund loans - at call (unsecured)		<b>1,893</b>	18
Independent living unit licence fees	2 (k)	<b>64,580</b>	63,055
Entry contributions and accommodation bonds	2 (j)	<b>76,358</b>	54,423
Total current trade and other payables		<b>160,343</b>	129,949

In accordance with the relevant accounting standards all resident ingoings (entry contributions, accommodation bonds and independent living unit license fees) have been treated as current liabilities, as there is no unconditional right of deferral. However based on historical trends it is likely that amounts to be paid to residents in the next 12 months will be in the vicinity of \$19.7m.

**NOTE 13 PROVISIONS**

**CURRENT**

Employee entitlements	2 (m)	<b>4,870</b>	6,680
Total current provisions		<b>4,870</b>	6,680

**NON-CURRENT**

Employee entitlements	2 (m)	<b>5,527</b>	2,641
Provision for program redundancies		<b>637</b>	520
Total non-current provisions		<b>6,164</b>	3,161

**NOTE 14 OTHER LIABILITIES**

Revenue in advance - other	<b>4,169</b>	4,042
Total other liabilities	<b>4,169</b>	4,042

**BAPTCARE LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2015**

**NOTE 15 RESERVES**

	Opening Balance	Transfers In	Transfers Out To Retained Profits	Closing Balance
	\$ 000	\$ 000	\$ 000	\$ 000
<b>Specific reserves</b>				
Village improvement fund	3	-	(3)	-
Specific reserves	3	-	(3)	-
Total reserves	3	-	(3)	-

Specific reserves and external grants represent amounts held under government grants, legacies and donations of a capital nature. These funds are held intact until applied to the various purposes and investment projects as may be determined by the Board of Directors.

The financial assets revaluation reserve records revaluation increments and decrements (that do not represent impairment write-downs) that relate to financial assets that are classified as available-for-sale.

The Village Improvement Fund is established in accordance with particular Independent Living Unit contracts and may be utilised for the purposes of village improvements including maintenance, structural repairs and replacement to common amenities, common property and external building surfaces.

Donations received are brought to account as revenue in the year of receipt. Any specific purpose donations unable to be expended during the year of receipt are transferred to the capital and specific donations reserves. In the year of expenditure, the donation is transferred to retained profits.

	<b>2015</b>	<b>2014</b>
	<b>\$000</b>	<b>\$000</b>

**NOTE 16 COMMITMENTS FOR EXPENDITURE**

**CAPITAL EXPENDITURE**

Estimated capital expenditure contracted for at reporting date but not provided for in the financial statements

Payable not later than one year	<b>41,612</b>	5,175
Total capital expenditure commitments	<b>41,612</b>	5,175

**OPERATING LEASES**

Non-cancellable operating leases contracted for but not capitalised in the financial statements

Payable not later than one year	<b>1,961</b>	2,094
Payable later than one year but not later than five years	<b>1,789</b>	3,199
Payable in more than five years	<b>543</b>	878
Total operating lease commitments	<b>4,293</b>	6,171

Lease expenses during the period amount to \$2,658,162 (2014: \$2,569,885) representing the minimum lease payments.

Leases relate to property & equipment, rental and motor vehicles, and are payable in advance.



**BAPTCARE LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2015**

**NOTE 17 CONTINGENT LIABILITIES**

There are no contingent liabilities that have been incurred by Baptcare Ltd in relation to the 2015 or 2014 financial year.

**NOTE 18 SEGMENT REPORTING**

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, and property, plant and equipment, net of allowances and accumulated depreciation. Segment liabilities consist principally of accounts payable, resident ingoings, employee entitlements, accrued expenses, provisions and borrowings. While most assets and liabilities can be directly attributed to individual segments, the carrying amount of certain assets and liabilities used or incurred jointly by two or more segments are allocated to the segments on a reasonable basis.

The Company has the following three business segments, based in Victoria and Tasmania:

1. Residential Aged Care operates aged care facilities for aged or disabled persons.
2. Other Aged Care Services provides independent living units, assisted living, day care centres, domiciliary nursing services and community aged care in the home.
3. Family Services operates family community programs, including foster care, counselling, preventative education, and disability support services.

**BAPTCARE LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2015**

**NOTE 18 SEGMENT REPORTING (CONT'D)**

**Primary reporting - Business segments**

	<b>Residential Aged Care</b>		<b>Other Aged Care Services</b>		<b>Family Services</b>		<b>Unallocated</b>		<b>Eliminations</b>		<b>Economic Entity</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>REVENUE</b>												
Government subsidies	59,438	53,015	43,124	40,221	16,491	14,965	0	2	-	-	119,053	108,203
Resident/client charges	17,977	17,388	8,342	8,262	8	7	68	25	-	-	26,396	25,682
Bond retentions	497	624	-	-	-	-	-	-	-	-	497	624
Other external revenue	385	257	148	205	128	213	3,243	8,887	229	-	4,133	9,562
Other segments - revenue	3,351	3,649	4,464	1,802	3,743	3,452	15,320	14,647	(26,879)	(23,550)	(0)	-
Total revenue	81,648	74,933	56,078	50,490	20,370	18,637	18,632	23,561	(26,650)	(23,550)	150,079	144,071
<b>EXPENSES</b>												
Employee expenses	41,265	40,002	18,396	15,601	9,475	8,413	10,085	8,981	-	-	79,221	72,997
Depreciation & amortisation	12,795	3,896	4,792	2,265	467	415	1,332	1,856	-	-	19,386	8,432
Property maintenance	2,093	1,982	859	825	117	89	287	403	-	-	3,356	3,299
Service & utilities	1,968	1,913	1,660	1,613	730	701	809	796	-	-	5,167	5,023
Other expenses	12,167	11,735	17,239	18,619	4,255	4,078	6,215	4,694	(42)	-	39,834	39,126
Other segments - expense	8,957	10,851	12,065	8,319	5,322	5,006	264	(626)	(26,608)	(23,550)	0	-
Total expenses	79,245	70,379	55,011	47,242	20,365	18,702	18,993	16,104	(26,650)	(23,550)	146,964	128,877
<b>RESULT</b>												
Segment result	2,403	4,554	1,068	3,248	5	(65)	(361)	7,457	-	-	3,115	15,194
Profit from ordinary activities before income tax expense											-	-
Income tax expense											-	-
Net profit from ordinary activities after income tax expense											3,115	15,194

**BAPTCARE LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2015**

**NOTE 18 SEGMENT REPORTING (CONT'D)**

**Primary reporting - Business segments**

	<b>Residential Aged Care</b>		<b>Other Aged Care Services</b>		<b>Family Services</b>		<b>Unallocated</b>		<b>Eliminations</b>		<b>Economic Entity</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>ASSETS</b>												
Cash & investments	22	22	20	15	11	9	6,328	4,565	-	-	6,381	4,611
Trade receivables	475	683	1,941	444	27	178	78	2,848	-	-	2,521	4,153
Other current assets	1,291	7,176	1,495	3,945	98	21	84,474	61,486	-	-	87,359	72,628
Property, plant & equipment and investment property	90,106	82,111	57,353	56,776	8,320	7,976	46,647	35,786	-	-	202,427	182,649
Intangibles	18,762	18,762	183	-	-	-	-	-	-	-	18,944	18,762
Other non-current assets	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	110,657	108,754	60,991	61,180	8,456	8,184	137,528	104,685	-	-	317,631	282,803
<b>LIABILITIES</b>												
Accommodation bonds & ingoings	76,358	54,447	64,580	63,031	-	-	-	-	-	-	140,938	117,478
Employee provisions	2,852	2,560	918	899	469	380	632	537	-	-	4,870	4,376
Other current liabilities	4,565	776	3,999	4,354	4,571	5,641	10,439	5,743	-	-	23,574	16,514
Non-current liabilities	3,792	3,390	1,311	1,232	709	532	353	310	-	-	6,164	5,464
Total liabilities	87,567	61,173	70,808	69,516	5,748	6,553	11,424	6,590	-	-	175,546	143,832
<b>OTHER</b>												
Acquisitions of non-current segment assets		2,897		2,237		544		2,264	-	-	-	7,942
Accommodation bond liabilities	76,358	54,447	-	-	-	-	-	-	-	-	76,358	54,447

**BAPTCARE LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2015**

	<b>2015</b>	<b>2014</b>
	<b>\$000</b>	<b>\$000</b>
<b>NOTE 19 KEY MANAGEMENT PERSONNEL DISCLOSURES</b>		
Total transactions with key management personnel	1,952	1,704

**NOTE 20 RELATED PARTY DISCLOSURES**

Baptcare Ltd's related parties include its Key Management Personnel and related entities as described below.

The names of the persons to have held office as Directors of the Company at any time during the year are:

Mrs K D Bradley (resigned 28 May 2015)  
Ms R M Bradley  
Mr P A Curtis  
Mr R S Dawson  
Mr M R Hick  
Mr B Howard  
Mr C J McKenna  
Mrs J R Scenna  
Mr P D Trebilcock (resigned 25 September 2014)

The Company is an Agency of the Baptist Union of Victoria and is ultimately controlled by the Assembly of the Baptist Union of Victoria.

**NOTE 21 COMPANY DETAILS**

Baptcare Ltd is incorporated in Victoria, Australia.

**The registered office of the Company is:**

Baptcare Ltd, 1193 Toorak Road, Camberwell, VIC 3124

**The principal places of business are:**

Administration offices	1193 Toorak Road, Camberwell VIC 3124
	1183 Toorak Road, Camberwell VIC 3124
Barwon South West Community Packages	132 Yarra Street, Geelong VIC 3220, and
	65 Fairy Street, Warrnambool VIC 3280
Church Nursing Service & Sanctuary Asylum	33 Blyth Street, Brunswick VIC 3056
Seeker Homes	547 Bell Street, Preston, VIC 3072
Eastern Metro Community Packages	Suite 2, 35 Seymour Street, Ringwood VIC 3134
Family and Community Services	25 Norwood Crescent, Moonee Ponds VIC 3039
	Level 1, 8 Boland Street, Launceston TAS 7250
	Ground Floor, 175 Collins Street, Hobart TAS 7000
Gippsland Community Packages	1st floor, 11 Bailey Street, Bairnsdale VIC 3875,
	116 George Street, Morwell VIC 3840, and
	43 Commercial Street, Korumburra VIC 3950
Hedley Sutton Community/Eastern Day Therapy	19 Canterbury Road, Camberwell VIC 3124
Hume Community Packages	Unit 2, 88 Watson Street, Wallan VIC 3756, and
	11 Main Street, Chiltern VIC 3683
Karana Community/Day Therapy	55 Walpole Street, Kew VIC 3101
Karingal Community & Community Packages	32 Lovett Street, Devonport TAS 7310
Loddon Mallee Community Packages	391 Hargreaves Street, Bendigo VIC 3550
Northaven Community Residential Aged Care Facility	84-86 Shadforth Street, Kerang VIC 3579
Northern Metro Community Packages	L4, 240 Uni Hill, Bundoora VIC 3083
Orana Day, Respite & Disability Services Centre	31 Murray Street, East Devonport TAS 7310
Peninsula View Community Residential Aged Care Facility	24-28 Moorooduc Highway, Frankston South VIC 3199
Southaven Day Centre	117 Jasper Road, Bentleigh VIC 3204, and
Brindabilla Day Centre	43 Vannam Drive, Ashwood VIC 3147
Southern Metro Community Packages	362 Nepean Highway, Frankston VIC 3199
St Hillary's Community	16 Elgin Street, Morwell VIC 3840
Strathalan Community/Day Therapy	Corner Erskine & Greensborough Highway, Macleod VIC 3085
Templestowe Orchards Community	107 Andersons Creek Road, Doncaster East VIC 3109
Western Metro Community Packages	Suite 10, 2 Devonshire Road, Sunshine VIC 3020
Westhaven Day Centre & Day Therapy	9 Northumberland Road, Sunshine VIC 3020
Westhaven Community Residential Aged Care Facility	50 Pickett Street, Footscray VIC 3011
Wyndham Lodge Community Residential Aged Care Facility	120 Synnot Street, Werribee VIC 3030

**BAPTCARE LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2015**

**NOTE 21 COMPANY DETAILS (CONT'D)**

The principal activities during the year were:

The operation of aged care facilities for aged and disabled persons.

The provisions of independent living units and assisted living units for aged persons.

The provision of day care and day therapy centres and Community Aged Care Packages to the aged in the community.

The provision of domiciliary nursing services in the City of Moreland.

The operation of family community programs, including foster care, counselling, preventative education, and disability support services.

**NOTE 22 POST-REPORTING DATE EVENTS**

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

**NOTE 23 MEMBER'S GUARANTEE**

Baptcare Ltd is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2015, the total amount that members of the Company are liable to contribute if the Company wound up is \$70 (2014: \$90).

**BAPTCARE LTD**  
**DIRECTORS' DECLARATION**

The directors of Baptcare Ltd declare that:

1. The Financial Statements and Notes, as set out in pages 9 to 27 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
  - (a) comply with Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013;
  - (b) give a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - (c) comply with International Financial Reporting Standards as disclosed in note 2 (c).
2. The Chief Executive Officer and Chief Financial Officer have each declared that:
  - (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
  - (b) the Financial Statements and Notes for the financial year comply with the Accounting Standards; and
  - (c) the Financial Statements and Notes for the financial year give a true and fair view.
3. In the directors' opinion there are reasonable grounds to believe the Company can pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



**Philip A Curtis**  
Director



**Matthew R Hick**  
Director

Camberwell, 27th August 2015

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## Independent Auditor's Report To the Members of Baptcare Ltd

We have audited the accompanying financial report of Baptcare Ltd (the "Company"), which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other 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 directors' declaration of the Company.

### Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

#### Independence

In conducting our audit, we have complied with the independence requirements of the Australian Charities and Not-for-profits Commission Act 2012.

#### Auditor's opinion

In our opinion the financial report of Baptcare Ltd is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

- a giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



B. L. Taylor  
Partner - Audit & Assurance

Melbourne, 27 August 2015