



BAPTCARE LTD

ACN 069 130 463
ABN 12 069 130 463

**FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

BAPTCARE LTD

ACN 069 130 463

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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
Mr T Farren (appointed Feb 2017)
Ms M Dobbie (appointed May 2017)
Mr R Evers (resigned Oct 2016)
Mr C Cornelius (resigned July 2016)

COMPANY SECRETARY:

Ms N Patten

REGISTERED OFFICE:

Ground Floor
1193 Toorak Road
CAMBERWELL VIC 3124

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Facsimile: (03) 9831 7272
Email: info@baptcare.org.au

AUDITORS:

Grant Thornton

BAPTCARE LTD

ACN 069 130 463

DIRECTOR'S REPORT 2016/17

Your directors submit their report for the financial year ended 30 June 2017.

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	Chairperson
Qualifications	Bachelor of Laws (Monash University), Bachelor of Economics (Monash University), Member of Law Institute of Victoria, Member of AICD
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. 2002-2016. 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 Risk Committee Member of the Remuneration Committee Member of the Nomination Committee Director of Baptcare Affordable Housing Ltd.
Ms R M Bradley	
Qualifications	Current: Executive Leadership for Innovation Melbourne Business School, AICD Governance Foundations for not for Profit Directors, Professional Certificate in Health Systems Management – Business Systems Melbourne University 2011, Professional Certificate Competitive Manufacturing (lean) Ashley Institute 2012. Bachelor of Applied Science La Trobe University, CCRN Royal Adelaide Hospital, Master of Business Administration (MBA) Majors: quantitative management, corporate strategy, services marketing, financial management, thesis outstanding.
Experience	General Manager/Director Nursing Bundoora campus Northern Health Aged Care, and Residential Services. Chair Church Council and member Essendon Baptist Community Church. Member of Australian Institute of Company Directors, Member Australasian College of Health Services Management, Member Australian College of Nursing, past senior program advisor to Commission for Hospital Improvement. Past Board member and Treasurer of Dootta Galla Health Service. Baptcare Board member from July 2012.
Special responsibilities	Deputy Chair Board, Member of the Nominations Committee Member of the Quality & Clinical Governance Committee.

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Mr R S Dawson

Qualifications	Bachelor of Arts (Macquarie University), Diploma of Education (Macquarie University), Graduate Diploma of Business (Monash University), Fellow of the Institute of Managers and Leaders, Member of the Australian Institute of Company Directors.
Experience	Chief Executive, MannaCare. Former Chief Executive, Catholic Homes for the Elderly, Canterbury Centre, Noraccomm. Senior Executive level experience in aged care (28 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 and Property Development Committees. 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), Member of the AICD, Fellow of CPA Australia, and Fellow of the Governance Institute.
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 Chief Financial Officer of MEGT (Australia) Ltd. Attended Syndal Baptist Church for over 20 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.

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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.
Baptcare Board member from January 2008.

Special responsibilities Chairman of the Risk Committee
Director of Baptcare Affordable Housing Ltd.

Mrs J R Scenna

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

Experience Founder and Director of *The Social Economy Group*; a consultancy focused on growing social impact with non-profits, social enterprises, and sustainable businesses. A qualified economist, Julianne brings over 15 years prior experience of senior leadership in international and community development organisations. She is a member of the AICD, and a Director of the East Timor Hearts Fund (since 2017).
Baptcare Board member from July 2012

Special Responsibilities Member of the Baptcare Policy Committee.
Director of Baptcare Affordable Housing Ltd.

Mr B Howard

Qualifications Bachelor of Commerce, Associate Diploma in Business, Master of Business Administration (MBA), Full member of CPA Australia

Experience Chief Operating Officer, Karingal. Over 20 years' commercial experience, including senior public and private health management roles. President of the Healthcare Finance Management Association (HFMA) since May 2013. Director of Churches of Christ Victoria and Tasmania.
Baptcare Board member from September 2013.

Special responsibilities Member of the Finance and Audit Committee.

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Mr T Farren

(appointed Feb 2017)

Qualifications

Bachelor of Arts (History and Economics, University of Manchester)
Fellow of the Institute of Risk Management
Member of the Institute of Occupational Safety & Health
Chartered Insurer.

Experience

15 years in Financial Services industry in United Kingdom, including work for Prudential plc, Lloyds TSB, Credit Suisse and Royal Sun Alliance Insurance. 11 years' experience in insurance industry in Australia, working with risk management initiatives within the financial services sector. 4 years sales and marketing leadership responsibility across financial services industry. Four board directorships across church and NFP sectors, of which two remain active and two full terms served.

Ms M Dobbie

(appointed May 2017)

Qualifications

Bachelor of Law, University of Auckland
Bachelor of Arts, University of Auckland
Associate Australian Insurance Institute

Admissions:

- High Court of Australia
- Supreme Court of Victoria
- Supreme Court of Western Australia
- High Court of New Zealand
- Solicitor of the Superior Courts of England and Wales

Experience

Insurance lawyer:

- Heaney Jones (NZ)
- Elbourne Mitchell (London)
- Phillips Fox (Perth)
- Minter Ellison (Melbourne)

Head Professional Risks - Sedgwick, Marsh (Victoria)
Principal, Professional Risks consultancy
Former Deacon and ministry leader Albert Park Baptist Church
Baptcare Board director from May 2017

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2. REVIEW OF OPERATIONS

Company

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

- Plan and promote Christian social services within Victoria and Tasmania and to co-ordinate 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 vision is “Communities where every person is cherished”. Our mission is “Partnering for fullness of life with people of all ages, cultures, beliefs and circumstances”.

Baptcare delivers on its vision and mission through our WE CARE values of Wellbeing, Ethics, Co-creation, Accountability, Respect and Effectiveness.

The fulfilment of the strategic 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 operation of retirement villages providing independent and assisted living units for aged people.
- The provision of day care centres and home care services to the aged in the community.
- The provision of nursing and allied health services.
- The provision of family community programs, including foster care, counselling, preventative education, local area coordination, disability support services.
- The provision of affordable housing solutions and asylum seeker accommodation and support services.

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;
- Service delivery risk, quality and clinical performance, including regulatory/legislative compliance, clinical education and incidence reporting are monitored by the Quality & Clinical Governance Committee.

Operating revenue for the year was \$173m, growing by 2.5%. A net surplus of \$14.3m was generated. A strong cash position of \$8.6m was also achieved.

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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 the Service and Operations Division were:

In Home Care

The major focus in the past year was on preparing for market contestability of the Home Care Packages that occurred in February 2017. We undertook a branding campaign to lift our profile in the community under the banner of Home Help and extensive media advertising.

A significant volume of training has also been undertaken to prepare for Consumer Directed Care. This training has included, competing in a competitive marketplace, sales training and leadership development, focusing on coaching and leading high performing teams.

Our operating structure was re-aligned to meet customer needs as were our regions to maximize our ability to utilize resource and also open up new regions not previously available to us under the old LGA package funding. This has allowed our customers quicker access to a Baptcare contact and also our staff to focus on value-adding services.

Residential Aged Care

Our 9 residential aged care services provide care to over 900 people across Victoria and Tasmania.

Baptcare Strathalan Community's new 124 bed residential aged care service opened in May 2016, replacing a 90 bed service, and has set the benchmark for care and services in the Macleod area. We achieved full occupancy by September 2016 and has a very strong waiting list.

Baptcare Wyndham Lodge Community in Werribee was redeveloped as a 150 bed residential aged care service and opened in August 2016. As part of the redevelopment, a 15 bed Wyndham Lodge Memory Support Unit in Bill Featherstone House opened in April 2017. The service has been hugely successful and is known as a place of choice for care in the region.

Retirement Living

Our 6 retirement living villages provide services to over 350 people across Victoria and Tasmania.

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During the year, 15 new villas were completed at Baptcare Strathalan Community. Many residents have commented that they wished they had made the move earlier as it is such a supportive community. A further 68 new apartments and villas commence construction in 2018. Our Strathalan residents are now able to take advantage of the Baptcare Podiatry Service provided through our Community Nursing Service; this service has commenced at Strathalan and will be offered to all our retirement living villages in the future.

Our assisted living residents at The Orchards in Doncaster East are preparing for transition to their new home in the residential aged care service opening in September. These residents will reside in a distinct part of the service and continue to receive their care and support in an amazingly, beautiful new setting. This is part of a major redevelopment of The Orchards Community where 85 new villas and apartments will commence construction in 2018.

Baptcare Karana Community underwent a front of house upgrade during the year and this improvement has made a significant difference to the look and feel of the buildings and the streetscape for both Retirement Living and Residential Aged Care residents.

Family and Community Services

Family and Community Services support people living with a disability, people with mental health problems who are at risk, and children, younger people and families, especially those in crisis, across Victoria and Tasmania.

Our programs drive high quality returns in evidence-based measurements of Baptcare's social impact and client outcome effectiveness via the Quality of Life Outcomes Framework. Evidence shows the greatest outcome change due to Baptcare is related to social inclusion, emotional wellbeing and consumer rights.

We successfully secured \$7.2m over four years from the Tasmanian government to continue our ground-breaking work in mental health, using a social model of care. Our leaders in Tasmania have been thought leaders in the contribution to the Family Services Child Safety Review, becoming key members of government and department working groups designing aspects of an improved service system.

We have also successfully rolled out a new local area coordination contract for the National Disability Insurance Agency (NDIA), achieving the bilateral targets set for the first year. We were awarded the contract for Early Childhood Early Intervention services under the NDIA in May 2017. In all, it has been a successful year of achieving targets and leading the way in managing new ways of working in a flexible and mobile environment.

Baptcare continued to financially support the delivery of services and community support through the Home Start Bendigo program

Housing and Homelessness

Baptcare's Sanctuary program continues to provide safety, opportunity and a fair go for the most vulnerable people seeking asylum in Victoria and helps people transition from crisis to independence.

Over the last year, Sanctuary has continued to partner with churches and other donors through the Houses of Hope project to house and support more people in need. This project has seen the expansion of Sanctuary to now house and support 102 people per night across Melbourne. To help ensure the best outcomes for our new clients, a caseworker specialising in supporting families has joined the Sanctuary casework team.

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Funding through the Victorian Multicultural Commission has allowed Baptcare to deliver specialist employment and training services and to expand our material aid program. Through the “Working it Out” program, everyone housed at Sanctuary now has access to employment mentors and onsite training and courses. Our material aid program now provides food for approximately 70,000 meals per year and distributes over \$30,000 per year in supermarket vouchers to those in need.

Baptcare Affordable Housing is dedicated to providing quality, safe, affordable, long term housing to disadvantaged households in Victoria. This dedication is being demonstrated in the Norlane project where 52 new homes are being completed and tenanted as part of Baptcare’s broader commitment to working with the Norlane community to fight disadvantage and improve quality of life.

This year also saw Baptcare Affordable Housing accommodate women and children fleeing family violence through the addition of four homes funded through the Victorian Government to target the needs of this group.

Quality

Baptcare has made a conscious shift in our quality focus from compliance to customer experience across all of our services. This has been demonstrated in the past year through the Better Practice that we received for “The Measurement of Client Experience” and invitations from across the industry to present at national conferences.

Following the successful introduction of the experience trackers in capturing client experience with the aid of technology, we explored further technological solutions to aid the collection and collation of data. We are introducing “Audit Angels” electronic devices to all of our residential aged care services to simplify the internal audit process and aid fast and accurate collation of data. The use of the “angels” will be evaluated after 12 months to inform the wider roll out across our other service areas.

The client management systems, *iCare* for residential *Carelink+* for IHC have enabled simplified and accurate electronic client assessment and documentation for aged care staff.

During the year, a restructure of the Quality Team occurred that consolidated all our quality resources into one team, enabling sharing of skills and knowledge across all our service areas and reducing duplication.

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Baptcare

3. DIRECTORS' MEETINGS

During the financial year, 45 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		Risk Meetings		Remuneration Committee		Nomination Meetings	
	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible
Ms R M Bradley	10	12			3	6	1	1					2	2
Mr C Cornelius	1	1							1	1				
Mr P A Curtis	10	12							10	10	3	3	2	2
Mr R S Dawson	12	12			6	6								
Ms M Dobbie	2	2												
Mr T Farren	5	5												
Mr M R Hick	12	12	11	11							3	3	2	2
Mr B Howard	8	12	11	11										
Mr C J McKenna	12	12							10	10				
Mrs J R Scenna*	5	6												
Mr R Evers	3	4	3	4			1	1						

* - J R Scenna has been granted a leave of absence for the period May 2016 to Dec 2016

- R Evers last meeting was Oct 2016
- C Cornelius last meeting was Jul 2016
- M Dobbie first meeting was May 2017
- T Farren first meeting was Feb 2017

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 2017 there were 9 members of the Company (2016: 7).

5. AUDITORS INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 6 of the financial report.

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

Philip A Curtis
Director

Camberwell, 28 September, 2017

Matthew R Hick
Director

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Melbourne Victoria 3000

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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 2017, 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

Melbourne, 28 September 2017

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BAPTCARE LTD
STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED
30 JUNE 2017

	Note	2017 \$000	2016 \$000
REVENUE	3	172,877	168,137
EXPENDITURE			
Employee benefits expense		92,469	85,200
Depreciation, amortisation and impairment expenses		10,665	15,507
Client costs		17,736	20,402
Domestic costs		3,606	3,038
Food services		7,397	6,510
Property maintenance		4,128	3,360
Services and utilities		5,550	5,319
Other expenses		16,999	15,079
TOTAL EXPENSES		158,550	154,415
SURPLUS FOR THE YEAR		14,327	13,722
OTHER COMPREHENSIVE INCOME			
Other comprehensive income for the period		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		14,327	13,722

The accompanying notes form part of these financial statements.

BAPTCARE LTD
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 \$000	2016 \$000
CURRENT ASSETS			
Cash and cash equivalents	5	8,582	6,172
Trade and other receivables	6	6,219	2,571
Other financial assets	7	38,345	51,919
Other assets	8	1,731	1,268
TOTAL CURRENT ASSETS		54,877	61,930
NON-CURRENT ASSETS			
Property, plant and equipment	9	267,217	218,406
Investment properties	10	115,379	109,404
Intangibles	11	18,761	18,944
Other receivables	6	6,465	2,073
TOTAL NON-CURRENT ASSETS		407,822	348,827
TOTAL ASSETS		462,699	410,757
CURRENT LIABILITIES			
Trade and other payables	12	214,894	181,611
Provisions	13	9,648	8,436
Other liabilities	14	1,045	3,661
TOTAL CURRENT LIABILITIES		225,587	193,708
NON-CURRENT LIABILITIES			
Provisions	13	3,354	4,118
Other liabilities	14	6,500	-
TOTAL NON-CURRENT LIABILITIES		9,854	4,118
TOTAL LIABILITIES		235,441	197,826
NET ASSETS		227,258	212,931
EQUITY			
Retained earnings		227,258	212,931
TOTAL MEMBERS' FUNDS		227,258	212,931

The accompanying notes form part of these financial statements.

BAPTCARE LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED
30 JUNE 2017

	Retained Earnings	Total
	\$000	\$000
BALANCE AT 1 JULY 2015	199,209	199,209
Surplus for the year	13,722	13,722
Total comprehensive income	13,722	13,722
BALANCE AT 30 JUNE 2016	212,931	212,931
BALANCE AT 1 JULY 2016	212,931	212,931
Surplus for the year	14,327	14,327
Total comprehensive income	14,327	14,327
BALANCE AT 30 JUNE 2017	227,258	227,258

The accompanying notes form part of these financial statements.

BAPTCARE LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
30 JUNE 2017

	2017	2016
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from residents, clients and customers	25,607	25,403
Receipts from governments	132,382	126,525
Proceeds from capital grants, legacies and donations	1,061	846
Interest received	1,702	2,581
Payments to suppliers and employees	(154,534)	(127,163)
Net cash provided by operating activities	6,218	28,192
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of short term deposits	13,574	30,131
Write off of goodwill	183	-
Proceeds from sale of property, plant and equipment	-	1,075
Payment for property, plant and equipment and investment property	(62,100)	(74,002)
Net cash used in investing activities	(48,343)	(42,796)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from residents' accommodation bonds	68,610	32,013
Refunds of entry contributions and accommodation bonds	(36,109)	(24,801)
Proceeds from ILU licence fees	16,489	16,167
Refund of ILU licence fees	(4,455)	(8,984)
Net cash provided by/(used in) financing activities	44,535	14,395
NET (DECREASE)/INCREASE IN CASH HELD	2,410	(209)
CASH AT THE BEGINNING OF THE FINANCIAL YEAR	6,172	6,381
CASH AT THE END OF THE FINANCIAL YEAR	8,582	6,172

The accompanying notes form part of these financial statements.

BAPTCARE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2017

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 2017, there were 9 members of the Company (2016: 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 2017

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 property is representative of independent living units, and land banked property that may have dwellings thereon. Investment properties are measured at fair value being the assessed market value of individual units and land banked property.

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 that the asset may be impaired.

BAPTCARE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2017

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'with), 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'with) applies. Accommodation payments are treated the same as entry contributions and accommodation bonds except that Section 52 (E) of the Aged Care Act (C'with) 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 2017

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 2017

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 Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 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 2017 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 2016, and therefore there has been no early adoption of these standards.

BAPTCARE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2017

	2017	2016
	\$000	\$000
NOTE 3 REVENUE		
Gross revenue from residents, clients and customers	23,474	23,037
Government subsidies and contributions for service	132,382	124,998
Accommodation charges, bond retentions, and deferred management fees	5,051	5,069
Sale of goods	107	111
Interest	1,444	2,139
Donations, bequests and legacies	4,761	846
Fair value adjustment to investment properties	3,351	10,842
Other revenue	2,307	1,095
Total revenue from operating activities	<u>172,877</u>	<u>168,137</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	3,739	3,665
- Leasehold improvements	247	1,101
- Plant and equipment	6,213	4,850
- Motor vehicles	466	614
Total depreciation	9 & 10 <u>10,665</u>	<u>10,230</u>

Write offs of land and buildings

	-	5,277
Total Depreciation, amortisation and impairment	<u>10,665</u>	<u>15,507</u>

NOTE 5 CASH AND CASH EQUIVALENTS

Cash on hand	95	78
Cash at bank	8,487	6,094
Total cash and cash equivalents	<u>8,582</u>	<u>6,172</u>

NOTE 6 TRADE AND OTHER RECEIVABLES

CURRENT

Trade receivables	2,071	1,233
Provision for impairment	(125)	(197)
	<u>1,946</u>	<u>1,036</u>

Entry contribution, accommodation bond and licence fee debtors

2 (j) & (k) 290 1,025

Accrued income - other 3,917 475

Other receivables 66 35

Total current trade and other receivables 6,219 2,571

NON-CURRENT

Receivables due from related entities 6,465 2,073

Total non-current other receivables 6,465 2,073

Receivables due from related entities are \$6,465,151 (2016: \$2,072,628).

NOTE 7 OTHER FINANCIAL ASSETS

CURRENT

Term deposits	38,345	51,919
Total other financial assets	<u>38,345</u>	<u>51,919</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 1,208 709

Other current assets 523 559

Total other assets 1,731 1,268

BAPTCARE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2017

	2017 \$000	2016 \$000
NOTE 9 PROPERTY, PLANT AND EQUIPMENT		
LAND AND BUILDINGS		
Land and buildings at cost	230,033	154,725
Accumulated depreciation	(27,485)	(22,775)
	202,548	131,950
Leasehold improvements at cost	2,058	2,298
Accumulated depreciation	(1,396)	(1,572)
	662	726
Total land and buildings	203,210	132,676
PLANT AND EQUIPMENT		
Plant and equipment at cost	54,701	42,804
Accumulated depreciation	(18,989)	(14,626)
	35,712	28,178
Motor vehicles at cost	4,110	4,664
Accumulated depreciation	(2,326)	(2,226)
	1,784	2,438
Total plant and equipment	37,496	30,616
Carrying amount of building work in progress	26,511	55,114
Total property, plant and equipment	267,217	218,406

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
Balance at 1 July 2016	131,950	726	55,114
Additions	26,759	191	18,975
Disposals	-	(8)	-
Transfers in/(out)	47,578	-	(47,578)
Depreciation expense	(3,739)	(247)	-
Balance at 30 June 2017	202,548	662	26,511

	Plant & Equipment \$000	Motor Vehicles \$000	Total \$000
Balance at 1 July 2016	28,178	2,438	218,406
Additions	13,945	115	59,985
Disposals	(197)	(304)	(509)
Transfers in/(out)	-	-	-
Depreciation expense	(6,213)	(466)	(10,665)
Balance at 30 June 2017	35,713	1,783	267,217

BAPTCARE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2017

	2017	2016
	\$000	\$000
NOTE 10 INVESTMENT PROPERTIES		
INDEPENDENT LIVING UNITS		
Carrying amount at the beginning of the year	109,404	99,637
Additions	2,624	252
Adjustment to fair value	3,351	10,842
Depreciation expense	-	(1,327)
Carrying amount at the end of the year	115,379	109,404
NOTE 11 INTANGIBLES		
BED LICENCES		
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
GOODWILL		
Carrying amount at the beginning of the year	7,844	7,844
Write offs	(183)	-
Carrying amount at the end of the year	7,661	7,844
Total intangible assets	18,761	18,944

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 2017 (2016: 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.

Bed licenses:

	Growth rate	Discount rate
2016	0%	15%
2017	1.5%	15%

Goodwill:

	Growth rate	Discount rate
2016	0%	15%
2017	1.5%	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 2017

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.

		2017	2016
		\$000	\$000
NOTE 12 TRADE AND OTHER PAYABLES			
CURRENT			
Trade payables and accrued expenditure	2 (o)	16,270	23,780
Capital development fund loans - at call (unsecured)		750	3,758
Independent living unit licence fees	2 (k)	76,005	69,229
Entry contributions and accommodation bonds	2 (j)	121,869	84,844
Total current trade and other payables		214,894	181,611

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)	9,648	8,436
Total current provisions		9,648	8,436

NON-CURRENT

Employee entitlements	2 (m)	3,208	3,463
Provision for program redundancies		146	655
Total non-current provisions		3,354	4,118

NOTE 14 OTHER LIABILITIES

CURRENT

Revenue in advance - other		1,045	3,661
Total current other liabilities		1,045	3,661

NON-CURRENT

Capital development fund loans - at call (unsecured)		6,500	-
Total non-current other liabilities		6,500	-

BAPTCARE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2017

	2017	2016
	\$000	\$000
NOTE 15 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	17,020	27,537
Total capital expenditure commitments	17,020	27,537
OPERATING LEASES		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable not later than one year	802	1,710
Payable later than one year but not later than five years	1,125	1,506
Payable in more than five years	19	216
Total operating lease commitments	1,946	3,432

Lease expenses during the period amount to \$2,981,624 (2016: \$2,915,033) representing the minimum lease payments.

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

NOTE 16 CONTINGENT LIABILITIES

There are no contingent liabilities that have been incurred by Bapcare Ltd in relation to the 2017 or 2016 financial year.

NOTE 17 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 2017

	2017 \$000	2016 \$000
NOTE 18 KEY MANAGEMENT PERSONNEL DISCLOSURES		
Total transactions with key management personnel	1,820	2,352

NOTE 19 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:

Ms R M Bradley
Mr P A Curtis
Mr R S Dawson
Mr R Evers
Mr M R Hick
Mr B Howard
Mr C J McKenna
Mrs J R Scenna
Mr T Farren
Ms M Dobbie
Mr C Cornelius

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 20 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 Community Packages	228-236 Pumell Road, Corio 3214 65 Fairy Street, Warrnambool VIC 3280
Sanctuary Asylum Seeker Homes	33 Blyth Street, Brunswick VIC 3056 547 Bell Street, Preston, VIC 3072
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 1/332 Main Road, Glenorchy TAS 7010
Gippsland Community Packages	Shop 2, 107 Nicholson Street, Bairnsdale VIC 3875 116 George Street, Morwell VIC 3840
Hedley Sutton	19 Canterbury Road, Camberwell VIC 3124
Hume Community Packages	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	3/14 Creek Street, North 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
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 2017

NOTE 20 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 21 POST-REPORTING DATE EVENTS

During the financial year ending 30 June 2018, Baptcare will loan \$20m to Baptcare Affordable Housing to enable the organisation to pursue its strategic objectives.

No other 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 22 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 2017, the total amount that members of the Company are liable to contribute if the Company wound up is \$90 (2016: \$90).

**BAPTCARE LTD
DIRECTORS' DECLARATION**

The directors of Baptcare Ltd declare that:

1. The Financial Statements and Notes, as set out in pages 11 to 26 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 2017 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.



Phillip A Curtis
Director



Matthew R Hick
Director

Camberwell, 28 September 2017

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Independent Auditor's Report to the Members of Baptcare Ltd

Auditor's Opinion

We have audited the financial report of Baptcare Ltd (the Company), which comprises the statement of financial position as at 30 June 2017, and 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, and comprising notes to the financial statements, including a summary of significant accounting policies and the Directors' Declaration.

In our opinion, the financial report of Baptcare Ltd has been prepared in accordance with Division 60 of 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 2017 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information other than the Financial Report and Auditor's Report

The Directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Company's Director's Report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

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Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not for Profits Commissions Act 2012. This responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B L Taylor
Partner – Audit & Assurance

Melbourne, 28 September 2017