

# Financial Report 2011

“we assist people to take charge of  
their own lives”

**UnitingCare Harrison  
Consolidated  
Financial Report  
For the Year Ended 30 June 2011**

# UnitingCare Harrison Consolidated

## CONSOLIDATED FINANCIAL REPORT - 30 JUNE 2011

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# UnitingCare Harrison Consolidated

## BOARD OF GOVERNANCE REPORT

### BOARD MEMBERS REPORT FOR THE YEAR ENDED 30 JUNE 2011

#### 1. STRUCTURE

UnitingCare Harrison is an agency of the Uniting Church in Australia to which the Uniting Church in Australia Property Trust (Victoria) holds legal title.

#### 2. INFORMATION ON BOARD MEMBERS

The information provided immediately below relates to Board Members and includes the names of Board Members in office at the date of this report.

Name	Position Held	Note	Meetings	
			Meetings held whilst a Board Member	Attended whilst a Board Member
Rev Ron Townsend	Outgoing Chair	1	4	4
Roger Gough	Ex CEO	1	3	3
Stephanie Webber	CEO from Nov 2010	3	3	3
Bator Matonyi	Outgoing Treasurer	1	3	3
Pam Young			7	5
James Downing	Deputy Chair		7	6
David Baxter			7	7
Marika Hubble-Mariott		6	0	0
Damien Jardine		4	1	1
Aiden Wright			7	6
Alex McWilliams		6	0	0
John Allen	Chair	2	7	5
Marc Robertson	Treasurer	5	3	2

- Notes:
- 1 Retired November 2010
  - 2 Appointed to Chair November 2010
  - 3 Appointed November 2010
  - 4 Appointed April 2011
  - 5 Appointed December 2010
  - 6 Resigned November 2010

#### 3. PRINCIPAL ACTIVITIES

The principal activity of the agency during the financial year was to provide support services to people who are in need regardless of their background, abilities or circumstances.

There were no significant changes in the nature of the agency's principal activities during the financial year.

#### 4. REVIEW OF OPERATIONS

The operating result for the year was a deficit of \$141,691 which compared to a surplus of \$92,798 in 2010.

#### 5. REVIEW OF FINANCIAL POSITION

The cash position of the agency at 30 June 2011 was \$451,989 compared to \$ 310,971 at 30 June 2010.

# UnitingCare Harrison Consolidated

## BOARD OF GOVERNANCE REPORT

### 6. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the agency.

### 7. MATTERS SUBSEQUENT TO THE END OF THE CALENDAR YEAR

At the date of this report there is one matter or circumstance which has arisen since 30 June 2011 that has significantly affected or may significantly affect:

- (a) the entity's operations in future financial years, or
- (b) the results of these operations in future financial years, or
- (c) the entity's state of affairs in future financial years.

This matter relates to the Ivanhoe Apartments for Life Project, and its potential impact is disclosed in Note 24.

### 8. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The agency does not plan nor expect any major changes to its operations and expects its future operating result to be consistent with its past performance.

### 9. ENVIRONMENTAL REGULATION

The entity is not subject to significant environmental regulation in relation to its operating activities.

### 10. MEMBERS' INTERESTS IN CONTRACTS


No material contracts involving members of the Board were entered into since the end of the previous year or existed at the end of the financial year.

### 11. INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The agency has taken out insurance cover, via the Uniting Church Insurance Services, for all Board Members and officers of the agency.

No indemnities have been given or insurance premiums paid, during or since the end of the calendar year, for any person who is or has been an auditor of the agency.

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

  
J. Allen  
Chair - Board of Governance

5 November 2011

# UnitingCare Harrison Consolidated

## INDEPENDENT AUDIT REPORT



### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITINGCARE HARRISON COMMUNITY SERVICES

#### Report on the Financial Report

We have audited the accompanying financial report of UnitingCare Harrison Community Services (the company), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

#### *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 (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 *Corporations Act 2001*.

ACAA  
14/44 Collins Street, Melbourne 3000  
PO Box 1491, Melbourne 3000  
T: (03) 9878 1333 F: (03) 9394 1791  
e: [audit@rdi.com.au](mailto:audit@rdi.com.au)  
[rdi.com.au](http://rdi.com.au)  
UnitingCare Harrison Community Services  
14/44 Collins Street, Melbourne 3000  
T: (03) 9878 1333 F: (03) 9394 1791

UnitingCare  
Harrison  
Community Services  
14/44 Collins Street, Melbourne 3000

## UnitingCare Harrison Consolidated

### *Opinion*

In our opinion the financial report of UnitingCare Harrison Community Services is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Robert J Dunne, FCA  
Chartered Accountant

4 November 2011  
Blackburn, Victoria

# UnitingCare Harrison Consolidated

## INDEPENDENCE DECLARATION BY THE EXTERNAL AUDITOR



### AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF UNITINGCARE HARRISON COMMUNITY SERVICES

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 there has been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Robert H Hurd, FCA  
rdi accountants

1 November 2011  
Blackburn, Victoria

# UnitingCare Harrison Consolidated


## **BOARD OF GOVERNANCE DECLARATION IN RELATION TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011**

The Board of Governance declare that the financial statements and notes set out on pages 9 to 24.

- (a) comply with Accounting Standards in Australia and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the agency's financial position as at 30 June 2011 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the Board's opinion there are reasonable grounds to believe that the agency will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Board of Governance.



S. Webber  
Chief Executive Officer



J. Allen  
Chair - Board of Governance

5 November 2011

UnitingCare Harrison Consolidated

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$ Note 1n
<b>Income from operating activities</b>			
Government contributions		4,346,531	4,063,822
Accrued Deferred Management fees		413,107	261,202
Service fees		832,638	448,254
Gifts, donations, bequests and trusts		62,395	43,784
Accommodation charges		96,590	-
Other revenue from operating activities	2a	1,034,348	967,568
		<u>6,785,609</u>	<u>5,784,630</u>
<b>Income from outside the operating activities</b>			
Interest		396,049	242,834
Profit sale of plant and equipment	2b	29,499	13,894
		<u>425,548</u>	<u>256,728</u>
<b>Total Income</b>		<u>7,211,157</u>	<u>6,041,358</u>
<b>Expenses</b>			
Employee benefits expense		3,599,252	3,339,201
Depreciation expense	2c	512,771	329,949
Insurance claims and premiums paid		82,351	44,475
Consulting and legal fees		66,819	54,351
Motor vehicle and travel		185,109	149,821
Repairs, maintenance, property expenses, rent	2c	1,559,090	984,305
Postage, telephone, printing and stationery		124,435	99,788
Purchased services		274,013	211,102
Emergency relief		62,000	80,727
Audit fees	19	16,696	4,853
Administration expenses		22,341	21,383
Borrowing costs		85,525	-
Brokerage		100,730	684
Other expenses	2c	661,716	627,921
<b>Total expenses</b>		<u>7,352,848</u>	<u>5,948,560</u>
<b>Net Profit from continuing operations</b>		<u>(141,691)</u>	<u>92,798</u>
<b>Other comprehensive Income</b>			
Asset revaluation reserves		6,213,425	2,713,347
Unrealised gains/losses reserve		120,133	(188,988)
<b>Total comprehensive income for the year</b>		<u>6,191,867</u>	<u>2,617,157</u>

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

UnitingCare Harrison Consolidated

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2011**

	Note	2011 \$	2010 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	451,989	310,971
Trade receivables	4	15,144	39,920
Investments	5	1,320,095	1,704,357
Other current assets	7	77,099	78,254
Assets classified as held for sale	10	-	-
<b>Total Current Assets</b>		<u>1,864,327</u>	<u>2,133,502</u>
<b>Non-current Assets</b>			
Available-for-sale investments	6	3,844,262	3,180,099
Receivables	8	2,335,466	2,155,974
Property, plant and equipment	9	45,145,708	38,599,957
<b>Total Non-current Assets</b>		<u>51,325,436</u>	<u>43,936,030</u>
<b>Total Assets</b>		<u>53,189,763</u>	<u>46,069,532</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	11	160,589	207,175
Short-term provisions	12	1,006,158	897,087
Resident payout provision	18	763,750	1,018,750
Other current liabilities	13	267,956	79,206
<b>Total Current Liabilities</b>		<u>2,198,453</u>	<u>2,202,218</u>
<b>Non-current Liabilities</b>			
Resident ingoing loan		9,174,610	8,356,390
Long-term provisions	14	52,794	54,423
Other non-current liabilities	15	821,950	706,412
<b>Total Non-current Liabilities</b>		<u>10,049,354</u>	<u>9,117,225</u>
<b>Total Liabilities</b>		<u>12,247,807</u>	<u>11,319,443</u>
<b>Net Assets</b>		<u>40,941,956</u>	<u>34,750,089</u>
<b>EQUITY</b>			
Accumulated funds		16,095,348	16,237,039
Asset revaluation reserve	16	24,726,475	18,702,038
Unrealised gains	16	120,133	(188,988)
<b>Total Equity</b>		<u>40,941,956</u>	<u>34,750,089</u>

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

UnitingCare Harrison Consolidated

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2011**

	<b>Reserves</b>	<b>Accumulated</b>	<b>Total</b>
	<b>\$</b>	<b>Funds</b>	<b>Equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance as at 1 July 2009</b>	15,988,691	16,144,241	32,132,932
Profit for the Year	-	92,798	92,798
Asset revaluation reserve	2,713,347	-	2,713,347
Unrealised gains/(losses) reserve	(188,988)	-	(188,988)
<b>Total comprehensive income for the year</b>	<u>2,524,359</u>	<u>92,798</u>	<u>2,617,157</u>
<b>Balance as at 1 July 2010</b>	18,513,050	16,237,039	34,750,089
Loss for the Year	-	(141,691)	(141,691)
Asset revaluation reserve	6,213,425	-	6,213,425
Unrealised gains/(losses) reserve	120,133	-	120,133
<b>Total comprehensive income for the year</b>	<u>6,333,558</u>	<u>(141,691)</u>	<u>6,191,867</u>
<b>Balance as at 30 June 2011</b>	<u>24,846,608</u>	<u>16,095,348</u>	<u>40,941,956</u>

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

UnitingCare Harrison Consolidated

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
<b>Cash flows from operating activities</b>			
Receipts from government		4,346,531	4,063,822
Deferred Management Fees		233,615	12,121
Service fees		832,638	448,254
Donations, bequests & trust receipts		62,395	43,784
Rent Received		730,916	426,948
Op Shop Sales		203,322	207,130
Other revenue		252,130	722,657
Payments to suppliers and employees		(5,941,726)	(5,113,851)
Interest received		396,049	242,834
Interest paid		(85,525)	-
<b>Net cash inflow from operating activities</b>	17	<u>1,030,345</u>	<u>1,053,699</u>
<b>Cash flows from investing activities</b>			
(Increase)/ decrease in Property, plant and equipment		(724,964)	(2,775,726)
(Increase)/ decrease in Investments		384,262	2,074,716
(Increase)/ decrease in Available-for-sale investments		(664,163)	(327,142)
<b>Net cash outflow from investing activities</b>		<u>(1,004,865)</u>	<u>(1,028,152)</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		117,003	-
Repayment of borrowings		(1,465)	(16,568)
<b>Net cash inflow (outflow) from financing activities</b>		<u>115,538</u>	<u>(16,568)</u>
<b>Net (decrease)/increase in cash held</b>		141,018	8,979
Cash at the beginning of the financial year		310,971	301,992
<b>Cash at the end of the financial year</b>	3	<u>451,989</u>	<u>310,971</u>

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

## UnitingCare Harrison Consolidated

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Interpretations.

It is prepared in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation. Unless otherwise stated the accounting policies adopted are consistent with those of the previous year.

The financial report complies with Australian Accounting Standards, which included Australian equivalents to International Financial Reporting Standards (AIFRS).

#### (a) Property, Plant and Equipment

Property, Plant and Equipment are included at cost less where applicable any accumulated depreciation. All assets (excluding the land component of each asset) are depreciated over their estimated useful lives using the straight line method.

	2011	2010
Buildings	50 Years	50 Years
Computer Equipment	3 Years	3 Years
Office Furniture and Equipment	5 Years	5 Years
Motor Vehicles	5 Years	5 Years

#### (b) Employee benefits

Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

#### (c) Insurance

The agency has taken out insurance cover, via the Uniting Church Insurance Services, for all Board Members and officers of the agency.

#### (d) Investments

In line with Synod regulations all excess funds are invested in the UCA Funds.

Investments in the UCA Cash Management Fund Ltd are valued at cost. Investments in the UCA Growth Fund Ltd are considered as acquired for long term investment and are therefore considered to be classified as Available for Sale. These investments are valued at the fair value with movements taken to an unrealised gains reserve.

Interest income from investments is recognised as earned and where appropriate is reinvested.

#### (e) Cash and cash equivalents

Cash includes the working capital bank account and petty cash floats.

#### (f) Tax Exemption

This agency is exempt from payment of income tax under Section 50-5 of the Australian Income Tax Assessment Act 1997.

## UnitingCare Harrison Consolidated

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

### NOTE 1: STATEMENT OF ACCOUNTING POLICIES (Continued)

#### (g) Receivables

All trade debtors are recognised at the amounts receivable when they are due for settlement. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

#### (h) Trade and other creditors

These amounts represent liabilities for goods and services provided to the agency prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

#### (i) Goods and Services Tax (GST)

Where applicable, GST incurred by the agency, that is not recoverable from the Australian Taxation Office, has been recognised as part of the transaction to which it applies.

The amount of any GST recoverable from, or payable to, the Australian Taxation Office is included as a receivable or payable in the Statement of Financial Position.

#### (j) Revenue

##### *Grants*

Revenue is recognised when the right to receive the grant has been established.

##### *Gifts, Donations & Bequests*

Revenue is recognised when the right to receive the gift, donation or bequest has been established.

##### *Service Fees*

Revenue is recognised when the right to receive the fee has been established.

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

#### (k) Assets held for sale

Deposits in UCA Growth Fund Ltd held by the agency are classified as being available for sale and are stated at fair value less impairment. Gains or losses arising from changes in fair value are recognised directly in the available-for-sale revaluation reserve, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is included in the profit or loss for the period.

#### (l) Impairment of asset

Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired. An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use. For a not-for-profit entity, value in use is determined based on the depreciated replacement cost of the asset.

## *UnitingCare Harrison Consolidated*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

### **NOTE 1: STATEMENT OF ACCOUNTING POLICIES (Continued)**

#### **(m) Resident ingoing loans**

UnitingCare Harrison operates 9 retirement villages with Independent Living Units ("ILU's), with residents entering into contracts with UnitingCare Harrison on a licence to occupy the ILU's basis.

The contracts between UnitingCare Harrison and the resident entitle UnitingCare Harrison to a Deferred management Fee ("DMF") which is based on a percentage of the initial resident ingoing loan. On leaving the ILU residents are entitled to receive their ingoing resident loan less accrued DMF ("resident obligation"). Some older contracts entitle the departing residents to some or all of the increase in ingoing licence fee paid by new ingoing residents, which is recorded as a liability on the Statement of Financial Position (see Note 18).

The timing for settlement of resident obligations is governed by the Victorian Retirement Villages Act 1986.

No interest is payable to the residents on resident obligations.

Accounting standards require the amounts payable under resident ingoing loans for a licence to occupy retirement village Independent Living Units to be recorded as a liability on the Statement of Financial Position. The associated capital value of the Independent Living Units is required to be recorded on the Statement of Financial Position as part of property, plant and equipment.

#### **(n) Impact of change of consolidation period in 2010**

The balance date of eleven of the fourteen internal entities was changed from 31 December to 30 June in the 2010 consolidation.

Accordingly, the comparative consolidated figures are for a full twelve months for the statement of comprehensive income, statement of changes in equity and statement of cash flows and the related notes in 2011, and a combination of six month and twelve month periods in the 2010 consolidation.

*UnitingCare Harrison Consolidated*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

**NOTE 2: SURPLUS FROM CONTINUING OPERATIONS**

**Net gains and expenses**

Surplus from continuing operations includes the following specific net gains and expenses:

<b>a) Other revenue from operating activities</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Recoveries	15,942	26,317
Rent Received	730,916	426,948
Sales	203,322	207,130
Other	84,168	307,173
	<u>1,034,348</u>	<u>967,568</u>
<b>b) Net gains</b>		
Net gain on disposal		
Investments	-	-
Property, plant and equipment	29,499	13,894
	<u>29,499</u>	<u>13,894</u>
<b>c) Expenses</b>		
Depreciation		
Buildings	269,629	142,873
Motor vehicles, plant and equipment	202,126	151,830
Property Improvements	41,016	35,246
Total depreciation	<u>512,771</u>	<u>329,949</u>
Other charges against assets		
Bad and doubtful debts - trade debtors	-	5,000
	<u>-</u>	<u>5,000</u>
Other provisions		
Employee entitlements	104,173	108,232
	<u>104,173</u>	<u>108,232</u>
Repairs, maintenance, property expenses, rent		
Rent	450,714	421,494
Repairs, Maintenance & Gardening	366,180	127,443
Refurbishment Program	412,780	227,958
Rates	153,639	78,763
Light & Power	103,292	55,307
Other	72,485	73,340
	<u>1,559,090</u>	<u>984,305</u>
Other expenses		
Employee entitlements		
Grant Distributions	549,960	493,868
UCA Levy	29,819	26,648
Ministry Costs	40,902	26,795
Other	41,035	80,610
	<u>661,716</u>	<u>627,921</u>
Rental expense relating to operating leases	<u>18,967</u>	<u>14,951</u>

## UnitingCare Harrison Consolidated

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

### NOTE 3: CURRENT ASSETS - CASH ASSETS AND CASH EQUIVALENTS

	2011	2010
	\$	\$
Cash at bank and on hand	451,989	310,971

The above figure is shown in the statement of cash flows

### NOTE 4: CURRENT ASSETS - TRADE RECEIVABLES

Trade debtors	15,144	39,920
Other debtors	-	-
	15,144	39,920

### NOTE 5: CURRENT ASSETS - INVESTMENTS

Deposits in UCA Cash Management Fund	1,320,095	1,704,357
Movement in Investments		
Balance 30 June 2010	1,704,357	3,779,073
Withdrawals	(5,210,023)	(6,888,096)
Transfers to UCA Growth Fund Investments	(250,000)	-
Deposits	4,921,871	4,649,950
Balance 30 June 2011	1,320,095	1,704,357

### NOTE 6: NON CURRENT ASSETS - AVAILABLE FOR SALE INVESTMENTS

#### a) Non Current Asset and 2010 Restatement

<b>Deposits in UCA Growth Fund</b>		
Deposits in UCA Growth Fund as reported in 2010		3,369,087
<b>Restated deposits in UCA Growth Fund</b>		
Deposits in UCA Growth Fund as reported in 2010	3,844,262	3,369,087
2010 Mis-statement - Change in net market value allocated to Other Current assets	-	(188,988)
	3,844,262	3,180,099

#### b) Movement in Investment

<b>Restated Movements in investments</b>		
Balance 30 June 2010	3,180,099	3,257,052
Withdrawals	(33,001)	(404,094)
Income earned	146,977	112,035
Deposits from UCA Cash Management Fund Investment	250,000	-
Gain/(loss) on sale of investments	(8,934)	-
Change in net market value	309,121	215,106
Balance 30 June 2011	3,844,262	3,180,099

*UnitingCare Harrison Consolidated*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

**NOTE 7: CURRENT ASSETS - OTHER**

	2011	2010
	\$	\$
<b>Current Assets - Other as Reported in 2010</b>		
Prepayments		55,599
Other Receivables		(166,333)
Total as Reported in 2010		<u>(110,734)</u>
 <b>Restated Current Assets - Other</b>		
Prepayments	71,844	55,599
Other Receivables	5,255	22,655
Total as Reported in 2010	<u>77,099</u>	<u>78,254</u>
Restated Total		
2010 Mis-statement - Change in net market value allocated to Other Current assets		

**NOTE 8: NON CURRENT ASSETS - RECEIVABLES**

<b>Non-Interest Bearing</b>		
Deferred Management fees	<u>2,335,466</u>	<u>2,155,974</u>

**NOTE 9: NON CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT**

	2011	2010
	\$	\$
<b>LAND AND BUILDINGS</b>		
<u>Land</u>		
At valuation	25,314,000	24,427,000
Plus: Acquisition of 393 Warburton Hwy Wandin	-	200,000
Plus: At valuation 9 Don Rd Healesville (Maroondah Village) (Acquired at nil cost)	1,554,000	-
Plus: At valuation 6-18 Elamo Rd Healesville (Acquired at nil cost)	1,100,000	-
	<u>27,968,000</u>	<u>24,627,000</u>
<u>Buildings</u>		
At Valuation	12,084,277	11,676,650
Plus: Acquisition of 393 Warburton Hwy Wandin	-	350,000
Plus: At valuation 9 Don Rd Healesville (Maroondah Village) (Acquired at nil cost)	1,961,000	-
Plus: At valuation 6-18 Elamo Rd Healesville (Acquired at nil cost)	270,000	-
Less: Accumulated depreciation	(715,770)	(565,930)
	<u>13,599,507</u>	<u>11,460,720</u>
<u>Property Redevelopments (Construction In Progress)</u>		
At cost	<u>2,402,994</u>	<u>1,289,996</u>
<b>TOTAL LAND AND BUILDINGS</b>	<u>43,970,501</u>	<u>37,377,716</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

**NOTE 9: NON CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

<b>PLANT AND EQUIPMENT</b>	<b>2011</b>	<b>2010</b>
<u>Property Improvements</u>	<b>\$</b>	<b>\$</b>
At cost	590,948	581,477
Less: Accumulated depreciation	<u>(430,950)</u>	<u>(389,933)</u>
	<u>159,998</u>	<u>191,544</u>
<u>Office Furniture and Equipment</u>		
At cost	652,330	695,821
Less: Accumulated depreciation	<u>(207,021)</u>	<u>(228,620)</u>
	<u>445,309</u>	<u>467,201</u>
<u>Motor Vehicles</u>		
At cost	823,913	819,077
Less: Accumulated depreciation	<u>(254,013)</u>	<u>(255,581)</u>
	<u>569,900</u>	<u>563,496</u>
<b>TOTAL PLANT AND EQUIPMENT</b>	<u><u>1,175,207</u></u>	<u><u>1,222,241</u></u>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<u><u>45,145,708</u></u>	<u><u>38,599,957</u></u>

<b>Year Ended 30 June 2011</b>	<b>Balance at 30 June 2010</b>	<b>Net Revaluations/ Transfers</b>	<b>Additions</b>	<b>Disposals</b>	<b>Depreciation</b>	<b>Balance at 30 June 2011</b>
<b>Asset Category</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Land	24,627,000	3,341,000	-	-	-	27,968,000
Buildings	11,460,720	2,408,416	-	-	(269,629)	13,599,507
Property						
Redevelopments (CIP)	1,289,996	(48,273)	1,161,271	-	-	2,402,994
Property Improvements	191,544	(13,882)	23,352	-	(41,016)	159,998
Motor Vehicles	563,496	126,520	232,894	(228,059)	(124,951)	569,900
Office Furniture and Equipment	467,201	(1,388)	56,671	-	(77,175)	445,309
<b>Total</b>	<u><u>38,599,957</u></u>	<u><u>5,812,393</u></u>	<u><u>1,474,188</u></u>	<u><u>(228,059)</u></u>	<u><u>(512,771)</u></u>	<u><u>45,145,708</u></u>

<b>Year Ended 30 June 2010</b>	<b>Balance at 30 June 2009</b>	<b>Net Revaluations/ Transfers</b>	<b>Additions</b>	<b>Disposals</b>	<b>Depreciation</b>	<b>Balance at 30 June 2010</b>
<b>Asset Category</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Land	24,427,000	(300,000)	500,000	-	-	24,627,000
Buildings	10,681,705	(691,286)	1,613,174	-	(142,873)	11,460,720
Property						
Redevelopments (CIP)	-	235,364	1,054,632	-	-	1,289,996
Property Improvements	217,299	-	9,491	-	(35,246)	191,544
Motor Vehicles	452,827	100,978	311,667	(190,637)	(111,339)	563,496
Office Furniture and Equipment	429,608	(55,198)	133,282	-	(40,491)	467,201
<b>Total</b>	<u><u>36,208,439</u></u>	<u><u>(710,142)</u></u>	<u><u>3,622,246</u></u>	<u><u>(190,637)</u></u>	<u><u>(329,949)</u></u>	<u><u>38,599,957</u></u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

<b>NOTE 10: ASSETS HELD FOR SALE</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
None	-	-
<b>TOTAL ASSETS HELD FOR SALE</b>	<u>-</u>	<u>-</u>

<b>Asset Category</b>	<b>Balance at 30 June 2010</b>	<b>Additions</b>	<b>Disposals</b>	<b>Depreciation</b>	<b>Balance at 30 June 2011</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
None	-	-	-	-	-
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**NOTE 11: CURRENT LIABILITIES - TRADE & OTHER PAYABLES**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Trade creditors	142,260	180,367
Other creditors and accruals	18,329	26,808
	<u>160,589</u>	<u>207,175</u>

**NOTE 12: CURRENT LIABILITIES - PROVISIONS**

Employee entitlements	20	865,097	818,556
Other creditors and accruals		141,061	78,531
		<u>1,006,158</u>	<u>897,087</u>

**NOTE 13: CURRENT LIABILITIES - OTHER**

Income in advance		265,036	76,786
Other		2,920	2,420
		<u>267,956</u>	<u>79,206</u>

**NOTE 14: NON CURRENT LIABILITIES - PROVISIONS**

Employee entitlements	20	52,794	54,423
		<u>52,794</u>	<u>54,423</u>

**NOTE 15: OTHER NON-CURRENT LIABILITIES**

UCA Loan - Dorothy Bailey House		-	6,412
Loan from Synod - Gardiner Lodge Retirement Village (Interest Free)		700,000	700,000
Loan-UCA Funds Management (Ivanhoe Project)		116,250	-
Other		5,700	-
		<u>821,950</u>	<u>706,412</u>

*UnitingCare Harrison Consolidated*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

**NOTE 16: RESERVES**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>RESERVES</b>		
Asset revaluation reserve	24,726,475	18,702,038
Unrealised Gains Reserves	120,133	(188,988)
 <b>Movements:</b>		
Asset Revaluation Reserve		
Balance 30 June 2010	18,702,038	15,988,691
Transfers	6,024,437	2,713,347
Balance 30 June 2011	24,726,475	18,702,038
 Unrealised Gains Reserve		
Balance 30 June 2010	(188,988)	(158,358)
Unrealised valuation gains	300,775	(30,630)
Gain on sale transferred to profit	8,346	
Balance 30 June 2011	120,133	(188,988)

**NOTE 17: RECONCILIATION OF SURPLUS FROM CONTINUING OPERATIONS TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Surplus from continuing operations	(141,691)	92,798
Depreciation	512,771	329,949
Change in operating assets and liabilities		
(Increase) decrease in accounts receivables	(153,561)	126,192
Increase (decrease) in trade creditors	(46,586)	(62,044)
Increase (decrease) in other provisions	859,412	566,804
Net cash inflow from operating activities	1,030,345	1,053,699

**NOTE 18: RESIDENT PAYOUT PROVISION**

Movement in Resident Payout Provision		
Balance 30 June 2010	1,018,750	953,750
Payments to outgoing residents	(255,000)	-
Increase/(Decrease) in provision due to new Gardiner Lodge resident ingoing fee increase impacting pre 1 January 2005 resident contracts. Exit payment liability in these contracts is based on market price.	-	65,000
Balance 30 June 2011	763,750	1,018,750

## UnitingCare Harrison Consolidated

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

### NOTE 19: REMUNERATION OF AUDITORS

	2011	2010
	\$	\$
Remuneration for audit of the financial report of the organisation:		
Auditor of the organisation	16,696	4,853
	16,696	4,853
Remuneration for other services :		
Other Services of the auditor of the organisation	-	-
	-	-
	-	-

### NOTE 20: EMPLOYEE ENTITLEMENTS

#### Employee entitlement liabilities

Provision for employee entitlements		
Current (Note 12)	865,097	818,556
Non-current (Note 14)	52,794	54,423
Aggregate employee entitlement liability	917,891	872,979
	917,891	872,979
<b>Employee numbers</b>	<b>87</b>	<b>80</b>
Average number of employees during the financial year	87	80

As explained in note 1, the amount for long service leave is measured at its present value. The following assumptions were adopted in measuring present values:

Long Service Leave	
Weighted average rates of increase in annual employee entitlements to settlement of the liabilities	5.00%
Weighted average interest rate	4.83%
Weighted average terms to settlement of the liabilities	7 years

### NOTE 21: SEGMENT INFORMATION

The entity is a non profit religious organisation operating in Victoria and Tasmania.

### NOTE 22: CONTINGENT LIABILITIES

At the date of signing these accounts, the Board are not aware of any contingent liabilities.

### NOTE 23: FINANCIAL INSTRUMENTS

#### (a) Credit risk exposures

The credit risk on financial assets which has been recognised on the statement of financial position, is generally the carrying amount net of any provisions for doubtful debts.

*UnitingCare Harrison Consolidated*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

**NOTE 23: FINANCIAL INSTRUMENTS (CONTINUED)**

**(b) Interest rate risk exposures**

The entity's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table.

	Fixed interest maturing in:				Total
	Floating interest rate	Less than one year	More than one year	Non - interest bearing	
	\$	\$	\$	\$	\$
<b>2011</b>					
<b>Financial Assets</b>					
Cash	-	-	-	451,989	451,989
Receivables	-	-	-	2,350,610	2,350,610
UCA Cash Management	1,320,095	-	-	-	1,320,095
Other financial assets	-	-	-	-	-
	<u>1,320,095</u>	<u>-</u>	<u>-</u>	<u>2,802,599</u>	<u>4,122,694</u>
Weighted average interest rate	5.75%				
<b>Financial Liabilities</b>					
Creditors and Borrowings	-	-	-	160,589	160,589
Other financial liabilities	-	-	-	267,956	267,956
	<u>-</u>	<u>-</u>	<u>-</u>	<u>428,545</u>	<u>428,545</u>
Net financial assets (liabilities)	<u>1,320,095</u>	<u>-</u>	<u>-</u>	<u>2,374,054</u>	<u>3,694,149</u>
<b>2010</b>					
<b>Financial Assets</b>					
Cash	-	-	-	310,971	310,971
Receivables	-	-	-	2,195,894	2,195,894
UCA Cash Management	1,704,357	-	-	-	1,704,357
Other financial assets	-	-	-	(110,734)	(110,734)
	<u>1,704,357</u>	<u>-</u>	<u>-</u>	<u>2,396,131</u>	<u>4,100,488</u>
Weighted average interest rate	5.10%				
<b>Financial Liabilities</b>					
Creditors and Borrowings	-	-	-	207,175	207,175
Other financial liabilities	-	-	-	79,206	79,206
	<u>-</u>	<u>-</u>	<u>-</u>	<u>286,381</u>	<u>286,381</u>
Net financial assets (liabilities)	<u>1,704,357</u>	<u>-</u>	<u>-</u>	<u>2,109,750</u>	<u>3,814,107</u>

## *UnitingCare Harrison Consolidated*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

### **NOTE 23: FINANCIAL INSTRUMENTS (CONTINUED)**

#### **(c) Fair value of financial assets and liabilities**

The fair value of cash and cash equivalents and non interest bearing monetary financial assets and financial liabilities approximates their carrying amounts.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

### **NOTE 24: EVENTS OCCURRING AFTER REPORTING DATE**

At the date of this report there is one matter or circumstance which has arisen since 30 June 2011 that has significantly affected or may significantly affect:

- (a) the entity's operations in future financial years, or
- (b) the results of these operations in future financial years, or
- (c) the entity's state of affairs in future financial years.

The carrying value of \$2,402,994 for property redevelopments (construction in progress) as disclosed in Note 9 includes costs of \$1,776,232 which have been capitalised as part of the Ivanhoe Apartments for Life Project. As at the time of the preparation of these accounts, this amount is now approximately \$1,835,000. If this project does not proceed an impairment loss for the same value will need to be recognised in the Statement of Comprehensive Income during the year ended 30 June 2012.