

Uniting AgeWell Victoria
and Tasmania
Annual Financial Report

30 June 2017

ABN: 39 703 442 583

ABN: 88 774 033 774

NAPS ID: 581

NAPS ID: 2615

Uniting AgeWell Victoria and Tasmania

Board of Governance Report

The Board of Governance declares that:

Your members of the Board of Governance present their report on the entity for the financial year ended 30 June 2017.

Board of governance

The name of the members in office at any time during the financial year are as follows:

Dr Alan Wilkinson
Mr Simon Brewin
Prof Alison Hutchinson
Mrs Jill Linklater
Mr Ian Sanders
Rev Allan Thompson
Rev Dr Mark Lawrence
Mrs Wendy Quinn
Ms Fiona Campbell
Ms Julia Langdon
Ms Sabine Phillips

Principal activities

The principal activities of the entity during the financial year was; the provision of senior services. No significant change in the nature of these activities occurred during the year.

Entity's vision

Uniting AgeWell: The Church at Work

We are a creative leader; enabling communities to age well and individuals to live their potential.

Entity's mission

Uniting AgeWell provides specialised services enabling older people to maximise their wellbeing and access care when required.

As part of the Uniting Church we live out the practical expression of Christian faith and values:

- * Respect
- * Partnership
- * Wisdom
- * Fairness
- * Stewardship

Uniting AgeWell Victoria and Tasmania

Board of Governance Report

Entity's mission (continued)

The UA 2015-17 Strategic Plan has six Future Directions

- 1: AgeWell is embedded in all services.
- 2: An expression of the church.
- 3: An innovative and sustainable organisation.
- 4: Empower our people, strengthen our culture.
- 5: Beyond compliance to excellence.
- 6: Grow and develop services.

UA believes that older people want to live in an environment of choice, empowerment and wellness – and to easily access support and care as they choose. While care remains an important part of our service delivery, our focus now includes what people can do instead of what they cannot. It promotes a life enhancing approach to growing older including supportive care when required.

AgeWell is UA's approach to all service planning and delivery, quality and innovation activities, infrastructure development and workforce strengthening.

Residential & independent living growth

The UA Board approved development of residential facilities at Preston (102 beds), Strathdevon (30 bed extension) and Hawthorn (120 beds). The Board also approved 49 new retirement living units at Hawthorn.

Uniting AgeWell received 35 residential bed licences for our Tasmanian facilities in the 2016- 2017 Aged Care Approvals Round (ACAR), 15 for Strathdevon in Latrobe, 20 for Aldersgate Village Newnham.

The facility refurbishment program has been a key area of focus resulting in 12 facilities being approved for additional accommodation funding as significantly refurbished facilities.

Home & community service growth

On 15 December 2016, Uniting AgeWell acquired 273 Home Care Packages in the Loddon Mallee region from the Swan Hill Rural City Council.

In September 2016, Uniting AgeWell acquired 25 Home Care Packages, following an agreement between the Boards of Uniting AgeWell and UnitingCare Gippsland.

During the year Uniting AgeWell won tenders for short term restorative care, transactional care packages and Commonwealth Home Support Program growth round funding.

Uniting AgeWell Victoria and Tasmania

Board of Governance Report

Aged care reforms

The Australian Government implemented funding changes to the provision of residential services and home care services during the 2017 financial year.

The government aims to reduce the growth rate of residential funding to 5.1% pa over the next five years. This is being achieved by changes to the Aged Care Funding Instrument (ACFI) including adjustments to indexation and complex health care funding criteria. These changes have been progressively implemented from 1 July 2016 with minimal impact for the 2017 financial year due to measures implemented by UA to mitigate the changes. The impact will be more significant for the 2018 and 2019 financial years.

The Australian Government announced significant reforms to home care to be implemented in two stages.

In the first stage, from 27 February 2017, funding for a home care package will follow the consumer. This will allow a consumer to switch and direct funding to any approved provider. Access to home care packages is now being prioritised through the My Aged Care gateway based on need.

The second stage in 2020, will integrate the Home Care Packages Program and the Commonwealth Home Support Program into a single care at home program.

The changes will have a significant impact on funding and service delivery models and Uniting AgeWell is implementing measures to mitigate the impact of the changes.

The changes are not expected to materially impact the 2018 financial result.

Information on Board Members

Rev Allan Thompson

Board member since December 2008

Board Chairperson since 28 October 2014

Remuneration & Nominations Committee Chairperson since March 2015

Ex officio member of all Board Committees

Qualifications - Bachelor of Arts, Bachelor of Divinity, Graduate AICD

Mr Simon Brewin

Board member since May 2016

Property & Development Committee Chairperson May 2016

Qualifications - MBL, GradDip Health Service Management BBus Post Grad Cert Health Economics FCHSM, Graduate AICD

Uniting AgeWell Victoria and Tasmania

Board of Governance Report

Information on Board Members (continued)

Ms Fiona Campbell

Board member since October 2013

Finance Committee member since November 2013

Qualifications - Bachelor of Commerce (Accounting, Law and Information Technology), Deakin University, Graduate AICD

Prof Alison Hutchinson

Board member since December 2015

Quality & Safety Committee Chair February to February 2016

Qualifications – RN, Certificate of Midwifery, Bachelor Applied Science (Advanced Nursing), Masters of Bioethics, PhD, Member AICD

Ms Julia Langdon

Board Member since October 2013

Audit & Risk Committee Chairperson since November 2013

Qualifications - Bachelor of Science and a Bachelor of Commerce from the University of Melbourne

Rev Dr Mark Lawrence

Synod General Secretary

Ex Officio Board Member since November 2012

Mission Committee Member since November 2012

Qualifications - BA, Grad DipEd, BTheol, MLitt, PhD, MEd(Lead)

Ms Jill Linklater

Board member since March 2010

Uniting AgeWell Community Advisory Committee Chairperson since July 2016

Quality & Safety Committee member since May 2010

Remuneration & Nominations Committee member since September 2010

Qualifications - Graduate Diploma Health & Medical Law , Master of Health Administration, Emergency Community (Health) Planning Certificate Canada, Bachelor of Science in Nursing, Graduate AICD

Ms Sabine Phillips

Board member since March 2015

Audit & Risk Committee Member since April 2015

Quality & Safety Committee Member since February 2017

Qualifications – Master of Laws, Master of Business, Bachelor of Applied Science, Registered Nurse, Certificate in Mediation and Conciliation, Fellow AICD

Uniting AgeWell Victoria and Tasmania

Board of Governance Report

Information on Board Members (continued)

Mrs Wendy Quinn

Board member since December 2012

Mission Committee Chairperson since February 2015

Quality & Safety Committee member May 2013 to November 2015

Qualifications - Master of Health Science, Developmental Disabilities, Post Graduate Certificate; Australian Competent Manager Program, Bachelor of Applied Science OT (degree completion), Diploma of Occupational Therapy, Graduate AICD

Mr Ian Sanders

Board member since August 2012

Finance Committee Chairperson since April 2013

Audit & Risk Committee member since September 2012

Property & Development Committee Member since November 2016

Qualifications - Bachelor of Science (London), Master of Business Administration, Graduate AICD

Dr Alan Wilkinson

Board Member August 2007 – August 2016

Board Chairperson November 2007 to 28 October 2014

Mission Committee member since February 2015

Property & Development Committee member since February 2015

Qualifications - Bachelor of Engineering, Bachelor of Arts (History & Politics), PhD (International Relations), Graduate AICD

Meetings of Members

During the financial year 10 ordinary meetings of Board Members were held. Attendance by each Board Member was as follows:

Member	Board meetings – Number eligible to attend	Number attended
Fiona Campbell	10	9
Simon Brewin	10	10
Prof Alison Hutchinson	10	9
Julia Langdon	10	10
Rev Dr Mark Lawrence	10	7
Jill Linklater	10	6
Sabine Phillips	10	8
Wendy Quinn	10	9
Ian Sanders	10	7
Rev Allan Thompson	10	9
Dr Alan Wilkinson	2	2

Uniting AgeWell Victoria and Tasmania

Board of Governance Report

Meetings of Members (continued)

Member	Audit & Risk Committee	Finance Committee	Mission Committee	Property & Develop/ment Committee	Quality & Safety Committee	Remuneration & Nominations Committee	AgeWell Community Advisory Committee
Simon Brewin	-	-	-	6/6	-	2/3	-
Fiona Campbell	-	3/5	-	-	-	-	-
Prof Alison Hutchinson	-	-	-	-	4/4	-	-
Julia Langdon	4/4	-	-	-	-	-	-
Rev Dr Mark Lawrence	-	-	3/4	-	-	4/4	-
Jill Linklater	-	-	-	-	4/4	3/4	1/2
Sabine Phillips	3/4	-	-	-	-	-	-
Wendy Quinn	-	-	4/4	-	1/1	-	1/1
Ian Sanders	3/4	5/5	-	3/4	-	-	-
Rev Allan Thompson	4/4	5/5	4/4	4/6	2/4	4/4	1/2
Dr Alan Wilkinson	-	-	1/1	1/1	-	-	-

The entity is operating as an agency of the Uniting Church in Australia the assets of which the Uniting Church in Australia Property Trust (Victoria) and the Uniting Church in Australia Property Trust (Tas) hold legal title.

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 9 of the financial report.

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


 Rev Allan Thompson
 Chairperson


 Mr Ian Sanders
 Board Member

26 September 2017

Uniting AgeWell Victoria and Tasmania

Statement by the Board of Governance

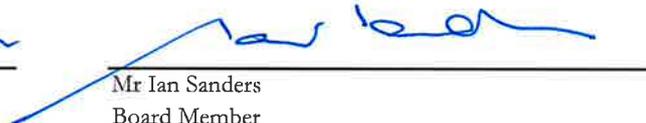
The Board of Governance declares that:

1. The attached financial statements, comprising the statement of profit or loss, statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes, are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012 and:
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-Profits Commission Regulation 2013; and
 - (b) give a true and fair view of Uniting AgeWell Victoria and Tasmania's financial position as at 30 June 2017 and of its performance for the year ended on that date.
2. In the Board of Governance's opinion, there are reasonable grounds to believe that Uniting AgeWell Victoria and Tasmania will be able to pay its debts as and when they become due and payable.

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



Rev Allan Thompson
Chairperson



Mr Ian Sanders
Board Member

26 September 2017

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

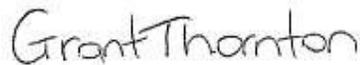
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AUDITOR'S INDEPENDENCE DECLARATION TO THE VICTORIAN & TASMANIAN SYNOD OF THE UNITING CHURCH IN AUSTRALIA

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 Uniting AgeWell Victoria & Tasmania 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



A C Pitts
Partner - Audit & Assurance

Melbourne, 26 September 2017

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Uniting AgeWell Victoria and Tasmania

Statement of Profit or Loss

for the year ended 30 June 2017

	Note	2017 \$	2016 \$
Revenue	2	176,094,214	161,785,521
Other income	2	104,999	239,450
Care expenses		(91,030,592)	(85,346,954)
Hotel expenses		(24,645,129)	(23,712,279)
Administrative expenses		(40,638,479)	(38,120,834)
Finance costs		(515,199)	(375,359)
Other expenses		(11,751,750)	(10,402,706)
Surplus/(loss) before income tax		7,618,064	4,066,839
less:			
Income tax expense	1	-	-
Surplus/(loss) for the year		7,618,064	4,066,839

Uniting AgeWell Victoria and Tasmania

Statement of Comprehensive Income

for the year ended 30 June 2017

	2017	2016
	\$	\$
Surplus for the year	7,618,064	4,066,839
Other comprehensive income:		
Current year gains/(losses) on available-for-sale financial assets	4,290,236	(1,042,451)
Other comprehensive income/(loss) for the year, net of income tax	4,290,236	(1,042,451)
Total comprehensive income/(loss) for the year	11,908,300	3,024,388

Uniting AgeWell Victoria and Tasmania

Statement of Financial Position

as at 30 June 2017

	Note	2017 \$	2016 \$
Current assets			
Cash and cash equivalents	4	3,408,608	4,297,675
Trade and other receivables	5	5,638,353	6,089,644
Financial assets	6	208,553,515	164,496,428
Other current assets	7	989,257	985,190
Total current assets		218,589,733	175,868,937
Non-current assets			
Property, plant and equipment	8	172,733,683	163,452,729
Investment property	9	46,085,504	48,162,775
Intangible assets	10	31,640,558	32,178,212
Other non-current assets		1,729,265	1,514,635
Total non-current assets		252,189,010	245,308,351
Total assets		470,778,743	421,177,288
Current liabilities			
Trade and other payables	11	16,535,481	11,810,691
Provisions	12	16,243,790	15,279,053
Resident ingoings	13	203,829,000	172,060,573
Total current liabilities		236,608,271	199,150,317
Non-current liabilities			
Provisions	12	4,226,486	3,991,285
Total non-current liabilities		4,226,486	3,991,285
Total liabilities		240,834,757	203,141,602
Net assets		229,943,986	218,035,686
Equity			
Reserves	14	31,754,138	27,463,902
Retained earnings		198,189,848	190,571,784
Total equity		229,943,986	218,035,686

The accompanying notes form part of these financial statements.

Uniting AgeWell Victoria and Tasmania

Statement of Changes in Equity

for the year ended 30 June 2017

	Reserves \$	Retained Earnings \$	Total \$
Balance at 1 July 2015	28,506,353	186,504,945	215,011,298
Total comprehensive loss for the year	(1,042,451)	4,066,839	3,024,388
Balance at 30 June 2016	27,463,902	190,571,784	218,035,686
Balance at 1 July 2016	27,463,902	190,571,784	218,035,686
Total comprehensive income for the year	4,290,236	7,618,064	11,908,300
Balance at 30 June 2017	31,754,138	198,189,848	229,943,986

Uniting AgeWell Victoria and Tasmania

Statement of Cash Flows

for the year ended 30 June 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from customers		42,731,326	42,134,097
Receipts from government funding		127,422,955	113,898,540
Receipt of allowable deductions from refundable accommodation deposits		348,287	868,543
Donations, bequests and fundraising received		555,931	657,681
Payments to suppliers and employees		(152,030,770)	(147,697,324)
Capital grant received		1,080	51,668
Interest received		6,258,753	6,120,233
Interest paid		(515,199)	(375,359)
Net cash provided by operating activities		24,772,363	15,658,079
Cash flows from investing activities			
Payments for deposits with UCA Funds Management		(37,082,976)	(29,609,845)
Payments for available for sale assets with UCA Funds Management		(2,683,876)	(2,890,176)
Payments of property, plant and equipment			
- Residential Aged Care		(14,373,133)	(13,633,671)
- Retirement Living		(1,843,182)	(6,178,105)
- Other		(1,446,690)	(138,558)
Net cash used in investing activities		(57,429,857)	(52,450,355)
Cash flows from financing activities			
Accommodation bonds / refundable deposits received		69,979,267	68,951,082
Accommodation bonds / refundable deposits / entry contributions refunded		(41,865,019)	(27,273,059)
Net proceeds from/(payments for) other resident liabilities		3,654,179	(2,335,358)
Net cash provided by financing activities		31,768,427	39,342,665
Net change in cash and cash equivalents held		(889,067)	2,550,389
Cash and cash equivalents at beginning of financial year		4,297,675	1,747,286
Cash and cash equivalents at end of financial year	4	3,408,608	4,297,675

Uniting AgeWell Victoria and Tasmania

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Uniting AgeWell Victoria and Tasmania

Notes to the financial statements

for the year ended 30 June 2017

1. Statement of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012, Australian Accounting Standards - Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers Uniting AgeWell Victoria and Tasmania (the "entity"), representing an aggregation of Uniting AgeWell Victoria and Uniting AgeWell Tasmania.

Uniting AgeWell is an agency of the Uniting Church to which the Uniting Church in Australia Property Trust (Victoria) and the Uniting Church in Australia Property Trust (Tas) holds legal title. The Uniting Church in Australia Property Trust (Victoria) and the Uniting Church in Australia Property Trust (Tas) are constituted as corporations pursuant to the provision of the Uniting Church in Australia Act 1997 No. 9021 in the State of Victoria and the Uniting Church in Australia Act 1977 No. 38 in the State of Tasmania respectively.

Basis of preparation

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

Statement of compliance

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

Basis of aggregation

The financial report has been prepared on the basis of an aggregation of the aged care services provided by the Uniting AgeWell within the Uniting Church Synod of Victoria and Tasmania.

These services include residential, a range of community services (including HCP and CHSP) and Independent Living Units across Victoria and Tasmania.

These services operate under the Approved Provider of the Uniting Church in Australia Property Trust (Victoria) and the Uniting Church in Australia Property Trust (Tas).

The aggregation does not have a parent entity as no one agency dominates decision making and has control.

Transactions between divisions have been eliminated for the purpose of preparing the aggregated financial report.

Change in comparative balances

When required by accounting standards, comparative figures have been adjusted to conform with changes in presentation to the current financial year.

Uniting AgeWell Victoria and Tasmania

Notes to the financial statements

for the year ended 30 June 2017

1. Statement of significant accounting policies (continued)

Adoption of new standards and interpretations

New Standards, amendments to Standards and Interpretations which have been recently issued or amended but are not yet effective have not been applied to the financial report for the current period.

None of these are expected to have a significant effect on the entity's financial position or performance.

Critical accounting estimates and judgments

The preparation of a financial report in conformity with Australian Accounting Standards - Reduced Disclosure Requirements requires management to make estimates, judgments 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. Actual results may differ from these estimates.

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

Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Recognition and disclosure of assets

Uniting AgeWell has assumed responsibility and recorded in the statement of financial position certain land and buildings of which the Uniting Church in Australia Property Trust (Victoria) and the Uniting Church in Australia Property Trust (Tas) holds legal ownership. The carrying value of land and buildings and investment property over which the Uniting Church in Australia Property Trust (Victoria) and the Uniting Church in Australia Property Trust (Tas) holds legal ownership at 30 June 2017 is \$272,052,019 (2016: \$256,142,031) less accumulated depreciation \$78,403,561 (2016: \$72,037,054).

The members of the Board of Governance are of the opinion that the criteria for the recognition of those assets as set out in the Framework for the Preparation and Presentation of Financial Statements is satisfied. That is, although the Uniting Church in Australia Property Trust (Victoria) and the Uniting Church Property Trust (Tas) holds legally enforceable rights over the relevant assets registered in its name, those assets are controlled by the entity and the future economic benefits of their use and management will flow to Uniting AgeWell.

Property

Freehold land and buildings are measured at cost or deemed cost less accumulated depreciation and impairment losses. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction as at the valuation date.

Uniting AgeWell Victoria and Tasmania

Notes to the financial statements

for the year ended 30 June 2017

1. Statement of significant accounting policies (continued)

Property, plant and equipment (continued)

Plant and equipment

Plant and equipment are measured at cost less depreciation and impairment losses.

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

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 entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all property, plant and equipment including building, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the entity commencing from the time the asset is held ready for use.

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

Asset class	Depreciation rate
Buildings	2 - 10%
Plant and equipment	7.5 - 25%
Motor Vehicles	20 - 40%
Furniture, Fixtures and Fittings	7.5 - 15%
Computer Equipment	25 - 50%
Building Improvements	15%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

Uniting AgeWell Victoria and Tasmania

Notes to the financial statements

for the year ended 30 June 2017

1. Statement of significant accounting policies (continued)

Investment properties

Investment property, which consists of independent living units, is held to generate deferred management fees and retentions. Investment property is carried at cost.

Independent living units' resident ingoings are recognised as a receivable and a liability at the time the resident ingoing is executed. The agreements with residents provide for Uniting AgeWell Victoria and Tasmania to retain retentions on a deferred basis, and the proportion of ingoings retainable is brought to account as income at the time that it becomes non-refundable to the resident. Some of the ingoings provide for Uniting AgeWell Victoria and Tasmania to owe a share of capital gain which is recognised as an expense progressively based upon the market value of the independent living unit as at reporting date.

Depreciation

The depreciable amount of investment properties, but excluding land, is depreciated on a straight line basis over their useful lives to the entity commencing from the time the asset is held ready for use.

The depreciation rate used for depreciable assets are:

Asset class	Depreciation rate
Buildings	2 - 10%

Financial instruments

Initial recognition and measurement

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 the statement of comprehensive income immediately. Financial instruments are classified and measured as set out below.

Classification and subsequent measurement

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 stated at amortised cost using the effective interest rate method less provision for impairment. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

Trade and other receivables are carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for provision for impairment.

Notes to the financial statements

for the year ended 30 June 2017

1. Statement of significant accounting policies (continued)

Financial instruments (continued)

Held-to-maturity investments

These investments have fixed or determinable maturities, and it is the Entity's intention to hold these investments to maturity. Held-to-maturity investments held by the Entity are stated at amortised cost using the effective interest rate method.

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 are held at fair value with changes in fair value taken through the financial assets reserve directly to other comprehensive income.

Financial liabilities

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

All financial liabilities are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity 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 the statement of comprehensive income.

Uniting AgeWell Victoria and Tasmania

Notes to the financial statements

for the year ended 30 June 2017

1. Statement of significant accounting policies (continued)

Impairment of assets

At each reporting date, the entity 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 comprehensive income.

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

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

Employee benefits

Wages, salaries and annual leave

Liabilities for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date. They are calculated at undiscounted amounts based on remuneration wage and salary rates that the entity expects to pay as at reporting date including related on costs.

Long service leave

The entity's net obligation in respect of long service leave is the amount of future benefit that employees have earned in return for their service in current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth bonds at the balance sheet date which have maturity dates approximating to the terms of the entities obligations.

Significant estimate and judgement

Annual leave and long service leave are measured at the present value of estimated future cash flows. These estimations require the use of key assumptions including discount rates, expected future pay increases and the probability of reaching and taking entitlements.

Income tax

No provision for income tax has been raised as the entity is exempted from income tax under Division 50 of the Income Tax Assessment Act 1997.

Uniting AgeWell Victoria and Tasmania

Notes to the financial statements

for the year ended 30 June 2017

1. Statement of significant accounting policies (continued)

Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Government contributions

Government contributions revenue is recognised when the entity gains control over the contribution; it is probable that the economic benefits comprising the contribution will flow to the entity; and the amount of the contribution can be measured reliably.

Grant revenue

Grant revenue is recognised in profit or loss when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the statement of financial position as a liability until such conditions are met or services provided.

Resident/client fees

Revenue from resident/client fees is recognised upon the delivery of the service to the clients.

Interest revenue

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

Retentions and accommodation charges

Retentions and accommodation charges are recognised throughout the period of the resident's tenancy in accordance with the rates published by the Department of Health.

All other revenue is recognised when the right to receive the revenue has been established.

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

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation 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 are presented in the Statement of Cash Flows on a gross basis, except for the GST components of Investing and Financing Activities which are disclosed as operating cash flows.

Uniting AgeWell Victoria and Tasmania

Notes to the financial statements

for the year ended 30 June 2017

1. Statement of significant accounting policies (continued)

Resident ingoings

The operation of residential facilities are governed by the Aged Care Act 1997. The operations of the independent living units are governed by the Victorian Retirement Villages Act 1986 and the Retirement Villages Act 2004.

Pursuant to the Aged Care Act residents may be required to lodge a refundable accommodation deposit (RAD's). The value of these RAD's are reported in note 13 as a resident ingoing liability. The Aged Care Act allows a provider to retain the interest earned from these bonds/RAD's.

Resident Ingoing amounts and related retentions and deferred management fees are received from residents of independent living units.

The current cash holdings of entry contributions and RAD's have been invested with the UCA Funds Management. Uniting AgeWell Victoria and Tasmania has established an investment structure to enable refunds of RAD's and other resident ingoing amounts to be met as required.

Income in advance

Revenue is recognised by drawing a distinction between the reciprocal and non reciprocal transactions in the treatment of the contribution of assets to the entity. A reciprocal transaction is deferred and reported as income in advance due to the non completion of the service at reporting date. A non reciprocal transaction is recognised as revenue when the entity gains control of the transfer.

Intangible assets

The useful lives of intangible assets are assessed to be either finite or indefinite.

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

Intangible assets with finite useful 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 the statement of comprehensive income in the expense category consistent with the function of the intangible asset.

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and install the specific software. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulate impairment losses.

Software costs are amortised over the estimated useful life of 3 to 5 years.

Uniting AgeWell Victoria and Tasmania

Notes to the financial statements

for the year ended 30 June 2017

2. Revenue

	2017	2016
	\$	\$
Operating activities		
- Government contributions	127,422,955	113,898,540
- Resident/client fees	32,956,549	31,580,519
- Interest	6,258,759	6,120,233
- Property income	301,953	640,326
- Retentions, accommodation charges, DAC & RAC	6,426,139	6,729,039
- Donations, bequests, fundraising	555,931	657,681
- Other revenue	2,171,928	2,159,183
Total revenue from operating activities	176,094,214	161,785,521
Other income		
- Grant income	104,999	239,450
Total other income	104,999	239,450

3. Expenses

	2017	2016
	\$	\$
Depreciation and amortisation expense		
- Depreciation of property, plant and equipment	8,213,862	8,222,819
- Depreciation of investment property	1,791,986	1,792,225
- Amortisation of intangibles assets	537,654	2,811
Total depreciation and amortisation expense	10,543,502	10,017,855
Employee benefit expense		
Wages, salaries	102,682,358	97,226,704
Superannuation	8,995,110	8,442,490
Total employee benefit expense	111,677,468	105,669,194
Other expenses includes:		
Rent expense	652,337	814,738
Bad debts written off	44,170	22,881

Uniting AgeWell Victoria and Tasmania

Notes to the financial statements

for the year ended 30 June 2017

4. Cash and cash equivalents

	2017	2016
	\$	\$
Cash on hand	16,972	16,220
Cash at bank	3,391,636	4,281,455
Total cash and cash equivalents	3,408,608	4,297,675

The effective interest rate on cash at bank was 0.40% (2016: 0.65%); these deposits are at call.

5. Trade and other receivables

	2017	2016
	\$	\$
Current		
Trade receivables	4,439,482	3,945,190
Provision for impairment of trade receivables	(184,694)	(279,303)
Receivable from related party - Uniting Church in Australia	9,604	19,607
Other receivables	1,373,961	2,404,150
Total trade and other receivables	5,638,353	6,089,644

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The Uniting AgeWell Victoria and Tasmania financial statements are an aggregation of the two entities and as a result the intercompany receivables and payables between the two entities have been eliminated.

6. Financial assets

	Note	2017	2016
		\$	\$
Current			
<i>Held to maturity:</i>			
Deposits with UCA Funds Management (at amortised cost)		147,767,764	110,684,788
<i>Available for sale:</i>			
Investments with UCA Funds Management (at fair value)	(a)	60,785,751	53,811,640
Total financial assets		208,553,515	164,496,428

(a) Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments.

Uniting AgeWell Victoria and Tasmania

Notes to the financial statements

for the year ended 30 June 2017

7. Other assets

	2017	2016
	\$	\$
Current		
Prepayments	685,120	828,122
Inventory	130,549	47,109
Other assets	173,588	109,959
Total other assets	989,257	985,190

8. Property, plant and equipment

	2017	2016
	\$	\$
Freehold land - at cost	23,012,699	23,012,699
Buildings - at cost	167,085,533	154,623,887
Less: accumulated depreciation	(59,320,028)	(54,480,706)
Total land and buildings	130,778,204	123,155,880
Plant and equipment - at cost	16,487,845	14,502,226
Less: accumulated depreciation	(8,313,618)	(7,266,469)
Total plant and equipment	8,174,227	7,235,757
Motor vehicles - at cost	1,965,996	2,013,725
Less: accumulated depreciation	(1,664,892)	(1,600,898)
Total motor vehicles	301,104	412,827
Computer equipment - at cost	855,971	720,884
Less: accumulated depreciation	(523,097)	(325,900)
Total computer equipment	332,874	394,984
Furniture, fixtures and fittings - at cost	12,675,480	10,058,758
Less: accumulated depreciation	(4,884,994)	(3,872,063)
Total furniture, fixtures and fittings	7,790,486	6,186,695
Improvements - at cost	18,786,860	14,263,450
Less: accumulated depreciation	(2,002,110)	(1,477,128)
Total improvements	16,784,750	12,786,322
Capital works in progress	8,572,038	13,280,264
Total property, plant and equipment	172,733,683	163,452,729

Uniting AgeWell Victoria and Tasmania

Notes to the financial statements

for the year ended 30 June 2017

8. Property, plant and equipment (continued)

Movements in carrying amounts

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

	Land	Buildings	Plant & equipment	Motor vehicles	Computer equipment
	\$	\$	\$	\$	\$
Opening carrying amount	23,012,699	100,143,181	7,235,757	412,827	394,984
Transfers	-	12,907,816	-	-	-
Additions:					
- Residential Aged Care	-	-	1,967,142	-	15,231
- Retirement Living	-	-	157,431	29,193	119,856
- Other	-	-	-	-	-
Disposals	-	(105,913)	(39,662)	(6,350)	-
Depreciation	-	(5,179,579)	(1,146,441)	(134,566)	(197,197)
Closing carrying amount	23,012,699	107,765,505	8,174,227	301,104	332,874

	Furniture, fixtures & fittings	Improvements	Capital works in progress	Total
	\$	\$	\$	\$
Opening carrying amount	6,186,695	12,786,322	13,280,264	163,452,729
Transfers	-	(5,227)	(12,902,589)	-
Additions:				
- Residential Aged Care	2,552,501	3,090,586	6,747,673	14,373,133
- Retirement Living	98,650	1,438,052	-	1,843,182
- Other	-	-	1,446,690	1,446,690
Disposals	(16,264)	-	-	(168,189)
Depreciation	(1,031,096)	(524,983)	-	(8,213,862)
Closing carrying amount	7,790,486	16,784,750	8,572,038	172,733,683

9. Investment property

	2017	2016
	\$	\$
Investment property - at cost	63,166,927	64,241,995
Less: accumulated depreciation	(17,081,423)	(16,079,220)
Total investment property	46,085,504	48,162,775

Uniting AgeWell Victoria and Tasmania

Notes to the financial statements

for the year ended 30 June 2017

9. Investment property (continued)

Movements in carrying amounts

Movements in the carrying amounts for each class of investment property between the beginning and end of the current financial year:

	Investment property (land & buildings)	Total
	\$	\$
Opening carrying amount	48,162,775	48,162,775
Disposals	(285,285)	(285,285)
Depreciation	(1,791,986)	(1,791,986)
Closing carrying amount	46,085,504	46,085,504

10. Intangible assets

	2017	2016
	\$	\$
Bed licences - at deemed cost	29,500,000	29,500,000
Software development - at cost	6,928,457	6,928,457
Less: accumulated amortisation	(4,787,899)	(4,250,245)
	2,140,558	2,678,212
Total intangibles	31,640,558	32,178,212

Movements in carrying amounts

Movements in the carrying amounts for each class of intangibles between the beginning and end of the current financial year:

	Bed licences	Software development	Total
	\$	\$	\$
Opening carrying amount	29,500,000	2,678,212	32,178,212
Amortisation	-	(537,654)	(537,654)
Closing carrying amount	29,500,000	2,140,558	31,640,558

Valuation of bed licences

The entity's bed licences were initially recognised at fair value, which was considered to be the deemed cost.

On an annual basis 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 carrying amount to determine whether there is any impairment. On this basis, no impairment loss has been recognised in the current or prior year.

Software development costs

Development costs have been capitalised at cost. This intangible asset has been assessed as having a finite life and is amortised using the straight line method over a period of 5 years. If an impairment indicator arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

Uniting AgeWell Victoria and Tasmania

Notes to the financial statements

for the year ended 30 June 2017

11. Trade and other payables

	2017	2016
	\$	\$
Current		
Trade payables	3,261,461	3,903,556
Sundry payables and accrued expenses	8,261,115	5,763,767
Payable to related party - Uniting Church in Australia	13,861	61,788
Deferred income	4,999,044	2,081,580
Total trade and other payables	16,535,481	11,810,691

Trade payables, sundry payables and accrued expenses are non interest bearing liabilities. Trade payable payments are processed once they have reached 30 days from the date of invoice for electronic funds transfer payments or cheque payment or 30 days from the end of the month of invoice for other payments. No interest is charged on trade payables.

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

The Uniting AgeWell Victoria and Tasmania financial statements are an aggregation of the two entities and as a result the intercompany receivables and payables between the two entities have been eliminated.

12. Provisions

	2017	2016
	\$	\$
Current		
Employee benefits	14,186,300	13,496,731
Resident capital gain	2,057,490	1,782,322
Total provisions - current	16,243,790	15,279,053
Non-current		
Employee benefits	4,226,486	3,991,285
Total provisions - non-current	4,226,486	3,991,285

Uniting AgeWell Victoria and Tasmania

Notes to the financial statements

for the year ended 30 June 2017

13. Resident ingoings

	2017	2016
	\$	\$
Current		
Resident ingoings	203,829,000	172,060,573
Movement in refundable accomodation deposits		
Opening balance refundable accomodation deposits	129,964,691	89,155,973
Refundable accomodation deposits received	69,979,267	68,951,082
Allowable deductions	(612,173)	(869,305)
Refundable accomodation deposits refunded	(41,810,556)	(27,273,059)
Closing balance refundable accomodation deposits	157,521,229	129,964,691
Unpaid refundable accomodation deposits	3,747,031	3,189,321
Independent living unit contributions	42,560,740	38,906,561
Total resident ingoings	203,829,000	172,060,573

14. Reserves

	2017	2016
	\$	\$
<i>General reserve</i>		
Opening balance	23,018,418	24,060,869
Current year gains/(losses) on available-for-sale financial assets	4,290,236	(1,042,451)
Closing balance	27,308,654	23,018,418
<i>Asset revaluation reserve</i>		
Opening balance	216,174	216,174
Closing balance	216,174	216,174
<i>Specific reserves</i>		
Opening balance	4,229,310	4,229,310
Closing balance	4,229,310	4,229,310
Total reserves	31,754,138	27,463,902

The general reserve includes cumulative fair value changes on available-for-sale investments until the investment is derecognised.

The asset revaluation reserve is used to record increases in the fair value of buildings and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in equity.

The specific reserve records amounts that have been set aside to fund specific items or projects.

Uniting AgeWell Victoria and Tasmania

Notes to the financial statements

for the year ended 30 June 2017

15. Contingent assets and liabilities

The members of the Board of Governance are not aware of any material contingent liabilities that exist at 30 June 2017 (2016: Nil).

16. Entity details

The registered office and principal place business of the entity is:

Uniting AgeWell Victoria and Tasmania
130 Little Collins Street
Melbourne Vic 3000

17. Capital and leasing commitments

	2017	2016
	\$	\$
Capital expenditure commitments contracted for:		
Re-development of properties and development of clinical care management system		
- less than 12 months	33,165,759	35,743,389
- greater than 12 months less than five years	61,944,803	59,807,653
	95,110,562	95,551,042

The entity has committed to development of the IT system for both Uniting AgeWell Victoria and Uniting AgeWell Tasmania. The balance of capital expenditure for this project to date is held in Capital Work in Progress by Uniting AgeWell Victoria.

18. Related Party Transactions

(a) Uniting Church in Australia Synod of Victoria and Tasmania

Interest was received, on normal commercial terms, by the entity of \$6,134,686 (2016: \$5,876,328) from UCA Funds Management, a division of the Synod. This interest was received in relation to deposits held on behalf of the entity (as disclosed in Note 6).

(b) Gadens Lawyers

Legal fees of \$19,576 (2016: \$72,349) were paid to Gadens Lawyers on normal commercial terms.

Ms Sabine Phillips (Principal) was a member of the Board of Governance, who is a partner of this firm. The fees were paid to Russell Kennedy, where Ms Sabine Phillips was a Principal during the 2016 financial year.

(c) Alzheimer's Australia

Legal fees of \$7,087 (2016: nil) were paid to Alzheimer's Australia on normal commercial terms.

Ms Sabine Phillips (Principal) was a member of the Board of Governance, who is a Board member of this organisation.

(d) Ernst and Young

Consultancy fees of \$37,993 (2016: \$18,365) were paid to Ernst and Young on normal commercial terms.

Ms Fiona Campbell and Ms Julia Langdon were members of the Board of Governance, who are partners of this firm.

Uniting AgeWell Victoria and Tasmania

Notes to the financial statements

for the year ended 30 June 2017

18. Related Party Transactions (continued)**(e) WJ Quinn Consulting**

Travel and course reimbursements of \$8,730 (2016: \$13,115) were paid to WJ Quinn on normal commercial terms. Ms Wendy Quinn is a member of the Board of Governance, and owner of this firm.

(f) Eastern Health

Health services of \$2,770,022 (2016: \$2,731,390) were paid to Eastern Health on normal commercial terms, where Ms Jill Linklater is a Board Member. Ms Jill Linklater is a member of the Board of Governance.

(g) Intercompany receivable/payable

An intercompany receivable/payable between Uniting AgeWell Victoria and Uniting AgeWell Tasmania with a carrying amount of \$17,303,170 (2016: \$17,261,814) is eliminated from the trade receivables/payables balance.

19. Key Management Personnel

The total of remuneration paid or provided for key management personnel of the entity during the year is \$2,339,573 (2016: \$2,441,917).

20 Events after balance date

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

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INDEPENDENT AUDITOR'S REPORT TO THE VICTORIAN & TASMANIAN SYNOD OF THE UNITING CHURCH IN AUSTRALIA

Auditor's Opinion

We have audited the financial report of Uniting AgeWell Victoria & Tasmania (the "Aggregated Entity"), 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 other explanatory information to the financial report and the statement by the Board of Governance of the Aggregated Entity.

In our opinion, the accompanying financial report of Uniting AgeWell Victoria & Tasmania has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a giving a true and fair view of the Aggregated Entity's financial position as at 30 June 2017 and of its performance and cash flows for the year then ended; and
- b complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Auditor's 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 Aggregated Entity 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) and the *Australian Charities and Not-for-profits Commission Act 2012* 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.

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Information other than the Financial Report and Auditor's Report

The Board of Governance of the Aggregated Entity are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the statement by the Board of Governance for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

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 Board of Governance for the Financial Report

The Board of Governance of the Aggregated Entity 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 Commission Act 2012*. This responsibility includes such internal controls as the Board of Governance 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 Board of Governance are responsible for assessing the Aggregated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

The Board of Governance are responsible for overseeing the Aggregated Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

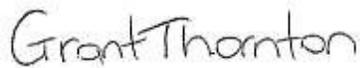
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Aggregated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Governance.
- Conclude on the appropriateness of the Board of Governance's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Aggregated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Aggregated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Aggregated Entity to express an opinion on the financial report. The auditor is responsible for the direction, supervision and performance of the audit. The auditor remains solely responsible for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



A C Pitts
Partner – Audit & Assurance

Melbourne, 26 September 2017