The Uniting Church in Australia - Queensland Synod
UnitingCare Queensland

Financial Statements

For the Year Ended 30 June 2014

The Uniting Church in Australia - Queensland Synod
UnitingCare Queensland

Contents

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UnitingCare Queensland

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2014

	Note	2014 $000s	2013 $000s
Revenue			
Revenue	3	1,336,721	1,270,878
Other Income	3	69,436	63,517
Total Revenue		**1,406,157**	**1,334,395**
Share of Surplus in Jointly Controlled Entities	11(b)	2,576	3,839
Expenses			
Communications and Utilities Expense		(26,608)	(25,736)
Consulting and Professional Fees		(48,851)	(45,123)
Depreciation and Amortisation Expense	4(b)	(79,948)	(74,953)
Finance Costs	4(a)	(14,678)	(16,404)
Salaries and Employee Expenses		(850,817)	(824,302)
Repairs and Maintenance Expense		(33,901)	(33,629)
Supplies and Services Expense		(235,407)	(217,415)
Synod Expenses		(818)	(799)
UnitingCare Australia Contribution		(434)	(428)
UnitingCare Queensland Board Expenses		(613)	(519)
Other Expenses	4(c)	(73,076)	(68,538)
Loss on Sale of Fixed Assets and Investments		(835)	(347)
Write-offs and Impairment Expense	4(d)	(6,879)	(1,717)
Gain on Fair Value Movement		-	481
Total Expenses		**(1,372,865)**	**(1,309,429)**
Surplus for the Year		**35,868**	**28,805**
Other Comprehensive Income			
Transfer Net Assets of Common Controlled Entity	24	262	5,876
Other Comprehensive Income for the Year		**262**	**5,876**
Total Comprehensive Income for the Year		**36,130**	**34,681**

The accompanying notes form part of these financial statements.

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Consolidated Statement of Financial Position

At 30 June 2014

	Note	2014 $000s	2013 $000s
ASSETS			
Current Assets			
Cash and Cash Equivalents	6	363,743	343,380
Trade and Other Receivables	8	106,644	79,474
Inventories	7	11,562	11,829
Other Assets	9	21,263	21,510
		503,212	456,193
Assets Classified as Held for Sale	10	1,431	-
Total Current Assets		**504,643**	**456,193**
Non-current Assets			
Inventories	7	434	402
Jointly Controlled Entities	11	2,855	9,405
Property, Plant and Equipment	12	1,106,663	1,049,666
Intangible Assets	13	25,693	21,162
Other Assets	9	4,597	7,853
Total Non-current Assets		**1,140,242**	**1,088,488**
TOTAL ASSETS		**1,644,885**	**1,544,681**
LIABILITIES			
Current Liabilities			
Trade and Other Payables	14	89,279	70,372
Accommodation Bonds expected to be paid within 12 months	15	49,259	43,636
Accommodation Bonds not expected to be paid within 12 months	15	100,541	107,877
Entry Contributions expected to be paid within 12 months	15	16,176	16,396
Entry Contributions not expected to be paid within 12 months	15	97,757	69,824
Borrowings	16	1,083	1,037
Employee Benefits and Other Provisions	17	123,413	115,413
Other Liabilities	18	31,818	24,700
Total Current Liabilities		**509,326**	**449,255**
Non-current Liabilities			
Trade and Other Payables	14	1,967	1,653
Borrowings	16	231,693	228,392
Employee Benefits and Other Provisions	17	16,056	15,462
Other Liabilities	18	9,872	10,078
Total Non-current Liabilities		**259,588**	**255,585**
TOTAL LIABILITIES		**768,914**	**704,840**
NET ASSETS		**875,971**	**839,841**
FUNDS			
Contributed Funds		5,234	5,234
Accumulated Funds		870,737	834,607
TOTAL FUNDS		**875,971**	**839,841**

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Consolidated Statement of Changes in Funds

For the Year Ended 30 June 2014

	Contributed Funds $000s	Accumulated Funds $000s	Total $000s
Balance at 1 July 2012	**5,234**	**799,926**	**805,160**
Surplus for the Year	-	28,805	**28,805**
Other Comprehensive Income	-	5,876	**5,876**
Balance at 30 June 2013	**5,234**	**834,607**	**839,841**
Surplus for the Year	-	35,868	**35,868**
Other Comprehensive Income	-	262	**262**
Balance at 30 June 2014	**5,234**	**870,737**	**875,971**

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Consolidated Statement of Cash Flows

For the Year Ended 30 June 2014

	Note	2014 $000s	2013 $000s
Cash Flows from Operating Activities			
Receipts from Clients, Funding and Others		1,426,828	1,368,848
Payments to Suppliers and Employees		(1,331,095)	(1,264,217)
Interest Paid		(14,499)	(16,404)
Proceeds from Distributions		7,683	1,835
Interest Received		9,348	11,884
Net Cash Inflow from Operating Activities	25	**98,265**	**101,946**
Cash Flows from Investing Activities			
Proceeds from Sale of Property, Plant and Equipment		21,266	7,217
Proceeds from Sale of Investments		26,339	-
Payments for Property, Plant and Equipment		(145,714)	(123,558)
Payments for Intangible Assets		(12,573)	(5,918)
Net Cash Outflow from Investing Activities		**(110,682)**	**(122,259)**
Cash Flows from Financing Activities			
Proceeds from Borrowings		39,500	2,768
Net Proceeds from Accommodation Bonds and Entry Contributions		29,433	21,184
Repayment of Borrowings		(36,153)	(784)
Net Cash Inflow from Financing Activities		**32,780**	**23,168**
Net Increase in Cash and Cash Equivalents		**20,363**	**2,855**
Cash and Cash Equivalents at Beginning of the Year		343,380	340,525
Cash and Cash Equivalents at End of the Year	6	**363,743**	**343,380**

1 Summary of Significant Accounting Policies

(a) General Information

UnitingCare Queensland is an unincorporated not-for-profit organisation established by the Uniting Church in Australia - Queensland Synod. The Uniting Church in Australia - Queensland Synod has appointed the Board of UnitingCare Queensland to govern its health and community services activities. Legal title to all property beneficially utilised in the services provided by UnitingCare Queensland is held in trust by the Uniting Church in Australia Property Trust (Q.), a body incorporated by statute and domiciled in Australia.

The accounts reflect the consolidation of the operations of the following organisations:

- Group Office;
- UnitingCare Health;
- Blue Care; and
- UnitingCare Community.

Herein referred to as the “Group”. Inter-operation transactions have been eliminated.

The registered office of the Uniting Church in Australia Property Trust (Q.) is:

The Uniting Church in Australia - Queensland Synod
60 Bayliss Street
Auchenflower QLD 4066

UnitingCare Queensland operates from Level 5, 193 North Quay, Brisbane, Queensland 4000.

(b) Statement of Compliance

These financial statements are a general purpose financial statement prepared in accordance with Australian Accounting Standards (AASBs), adopted by the Australian Accounting Standards Board (AASB). In some circumstances, where permitted under the AASBs, the entity has elected to apply certain exemptions available to not-for-profit entities.

The financial statements of UnitingCare Queensland for the year ended 30 June 2014 were approved by the Board of UnitingCare Queensland on 21 October 2014.

(c) Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with AASBs requires the use of certain critical accounting estimates. It also requires the Board and management to exercise judgements in the process of applying the accounting policies. The Board and management are responsible for the development, selection and disclosure of critical accounting policies and estimates and their ongoing application. The estimates and judgements that have a significant risk of causing material adjustments to the carrying amount of assets and liabilities within the next financial year are:

Estimated Useful Life of Property, Plant and Equipment
The estimated useful lives of property, plant and equipment are assessed annually. This assessment takes into consideration legislative and safety requirements and plans to ensure continued compliance therewith. The estimated useful lives reflect existing redevelopment plans which are also subject to review based on requirements and cost. Future changes to the redevelopment program may impact on the assessment of useful lives with a corresponding impact on depreciation expense in future periods.

1 Summary of Significant Accounting Policies (continued)

(c) Critical Accounting Judgements and Key Sources of Estimation Uncertainty continued

Inventories
Inventories are valued at the lower of cost and net realisable value. The net realisable value of inventory is the estimated selling price in the ordinary course of business less estimated costs to sell.

Linen cost is valued at replacement value less reduction in this value for life expectancy of inventory in circulation being loss of service potential. The key assumptions are the variables affecting the selling prices and costs to sell, including judgements on market conditions and inventory condition.

Employee Benefits
Management judgement is applied in determining the following key assumptions used in the calculation of annual leave and long service leave at the end of the reporting period:

- future increases in wages and salaries;
- future on cost rates; and
- experience of employee departures and period of service.

Refer to note 1(p) for further details on the key management judgements used in the calculation of long service leave and annual leave.

Accommodation Bonds and Entry Contributions
By their nature, accommodation bonds and entry contributions are considered to be repayable on demand and are therefore classified as current liabilities. They are recorded at the amount initially received less any retentions Blue Care is allowed to deduct in accordance with the relevant legislation and resident agreement and are not discounted. For the purpose of providing users of the financial statements with more relevant information, additional disclosure relating to the expected repayment dates of accommodation bonds and entry contributions has been added to the Consolidated Statement of Financial Position (refer page 2). Judgements are used as to the likely expected payment periods based on past experience of resident exits and the average value of current bonds and entry contributions held.

Grant Funding
The Group has received a number of government grants during the year. Once the Group has been notified of the successful outcome of a grant application, the terms and conditions of each grant are reviewed to determine whether the funds relate to a reciprocal grant (i.e. payment for services rendered) in which case it is accounted for under AASB 118 *Revenue* or a non-reciprocal grant in which case it is accounted for under AASB 1004 *Contributions*. Where there is a return obligation for grant funding provided, grant revenue is deferred in the Statement of Financial Position and is recognised as deferred income and released to the Statement of Profit or Loss and Other Comprehensive Income as the obligations are satisfied.

(d) Income Taxes

No provision for income tax has been made as UnitingCare Queensland and its agencies are exempt from taxation under Division 50 of the *Income Tax Assessment Act (1997)* and have been so endorsed by the Commissioner of Taxation.

1 Summary of Significant Accounting Policies (continued)

(d) Income Taxes (continued)

UnitingCare Health has a 50% ownership in Wesley Medical Imaging Pty Ltd, a joint venture company which is subject to income tax. An income tax benefit is recognised as a receivable by UnitingCare Health as the income tax paid by Wesley Medical Imaging Pty Ltd will be recouped by UnitingCare Health from the ATO on payments of dividends by Wesley Medical Imaging Pty Ltd.

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the ATO. 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. Contingencies and commitments are also disclosed net of GST payable or recoverable. Receivables and payables in the Consolidated Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Consolidated Statement of Financial Position.

Cash flows are presented in the Consolidated Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows within the receipts from clients, funding and others and payments to suppliers and employees.

(f) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the revenue received or to be received cannot be measured reliably, there is a risk of return of goods or there is continuing management involvement with the goods. Revenues are recognised at fair value of the consideration received or receivable. Fee revenue is recognised when the service is provided.

Rendering of Services
Revenue from services rendered is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in proportion to the stage of completion of the transaction at the end of the annual reporting period to the extent that it is probable that the economic benefits will flow to the entity and that revenue can be reliably measured. The stage of completion is assessed by reference to the stage of work performed.

Government Grants
Government grants are not recognised until there is reasonable assurance that the organisation will comply with the conditions attaching to them and the grants will be received. Government grants that are reciprocal in nature are recognised when the service is provided. A reciprocal transfer generally arises when a return obligation exists to the funding provider. Where there is a return obligation, revenue is deferred in the Consolidated Statement of Financial Position and is recognised as deferred income and released to the Consolidated Statement of Profit or Loss and Other Comprehensive Income as the obligations are satisfied. Grants that compensate for the cost of an asset are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income immediately when control is obtained and can be measured reliably.

Resident Retentions
Amounts retained as income from entry contributions and accommodation bonds are recognised in accordance with the applicable legislation or the residents’ accommodation agreement.

1 Summary of Significant Accounting Policies (continued)

(f) Revenue Recognition (continued)

Rental Income
Rental income is accounted for on a straight-line basis over the term of the rental agreement.

Sale of Goods
Sale of goods revenue is recognised when the control of the goods has been passed to the buyer.

Interest Income
Interest income is recognised as it accrues, using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate. This is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Donations and Bequests
Income from donations and bequests are recognised in the year in which they are received.

Donation and fundraising monies are recognised as an asset and revenue when control of the contribution is gained. In instances where these monies are not able to be spent for the intended purpose and as a result, there arises an obligation to repay, a subsequent offsetting expense and liability is recorded.

(g) Expenses

Finance Costs
Finance costs comprise interest payable on borrowings calculated using the effective interest method. Finance costs include:

- interest on bank overdrafts and short-term and long-term borrowings;
- amortisation of discounts or premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- finance charges in respect of finance leases recognised in accordance with AASB117 “Leases”.

Finance costs are expensed as incurred and included in net financing costs unless directly attributable to the acquisition or construction of a qualifying asset and then capitalised as part of the cost of that asset. The interest expense component of finance lease payments is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income using the effective interest method.

Leases
A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Leases of property, plant and equipment where UnitingCare Queensland has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease’s inception at the lower of fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Consolidated Statement of Profit or Loss and Other Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

1 Summary of Significant Accounting Policies (continued)

(g) Expenses (continued)

The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Consolidated Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the period of the lease.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Repairs and Maintenance
Plant and equipment is serviced on a regular basis. The costs of maintenance are charged as expenses as incurred, except where they relate to a material replacement of a component of an asset, in which case the costs are capitalised and depreciated in accordance with note 1(k). Other routine operating maintenance, repair and minor renewal costs are charged as expenses as incurred.

(h) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances, short-term bills and call deposits. Cash and cash equivalents are carried at face value of the amounts deposited or drawn.

Amounts are held separately in Capital Replacement Funds and Maintenance Reserve Funds in accordance with statutory restrictions imposed by the *Retirement Villages Act 1999*.

(i) Financial Assets

Financial assets are recognised when UnitingCare Queensland becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in surplus or deficit.

Financial assets are classified into the following specified categories:

- financial assets "at fair value through the profit or loss" (FVTPL);
- "held-to-maturity" investments;
- "available-for-sale" (AFS) financial assets; and
- "loans and receivables".

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

1 Summary of Significant Accounting Policies (continued)

(i) Financial Assets (continued)

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets classified as at “fair value through the profit or loss”.

Financial Assets at Fair Value through Profit or Loss

Financial assets are classified at fair value through profit or loss when the financial asset is either held for trading or it is designated at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets which is managed and its performance is evaluated on a fair value basis, in accordance with the Group’s documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB139 “Financial Instruments: Recognition and Measurement” permits the contract to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in surplus or deficit. The net gain or loss recognised in surplus or deficit incorporates any dividend or interest earned on the financial asset.

Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as “trade and other receivables”. Trade and other receivables are measured at amortised cost using the effective interest method less impairment. Interest income is recognised by applying the effective interest rate.

Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each annual reporting period. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

1 Summary of Significant Accounting Policies (continued)

(i) Financial Assets (continued)

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually, are in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the surplus or deficit.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are re-classified to surplus or deficit in the period.

For financial assets measured at amortised cost, if in a subsequent period, the amount of the impairment loss decreases the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through surplus or deficit to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, impairment losses previously recognised in surplus or deficit are not reversed through surplus or deficit. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of accumulated funds. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of Financial Assets

UnitingCare Queensland derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If UnitingCare Queensland neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, they recognise its retained interest in the asset and an associated liability for amounts it may have to pay.

If UnitingCare Queensland retains substantially all the risks and rewards of ownership of a transferred financial asset, they continue to recognise the financial asset and also recognise a collateralised borrowing for the proceeds received.

1 Summary of Significant Accounting Policies (continued)

(i) Financial Assets (continued)

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in surplus or deficit.

(j) Inventories

Inventories of supplies held for future use are valued at the lower of cost and net realisable value. Costs are assigned to inventories by the method most appropriate to each particular class of inventory, with all categories being valued on a weighted average cost basis.

Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

Inventory Held for Distribution
Linen costs are valued at replacement value less reduction in this value for life expectancy of inventory in circulation.

(k) Property, Plant and Equipment

Freehold land is held at cost and not depreciated. Buildings are carried in the Consolidated Statement of Financial Position at cost less any subsequent accumulated depreciation and any impairment losses.

Items of property, plant and equipment are stated at cost, resulting from transition to Australian Equivalents to International Financial Reporting Standards (AIFRS) or at fair value where gifted to the Uniting Church in Australia Property Trust (Q.) less accumulated depreciation and impairment losses. The cost of self constructed assets includes the cost of materials, direct labour, the initial estimate (where relevant) of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

All items of property, plant and equipment with a cost less than $1,000 are charged directly to the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent Costs
The subsequent costs of replacing an item of property, plant and equipment are recognised in the carrying value of the asset when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the organisation and the cost of the item can be measured reliably. All other costs are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as an expense as incurred.

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

Depreciation
With the exception of freehold land, depreciation is charged to the Consolidated Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

1 Summary of Significant Accounting Policies (continued)

(k) Property, Plant and Equipment (continued)

The expected useful lives are as follows:

Class of Asset	
Buildings and Building Improvements	up to 50 years
Plant and Equipment	1 to 15 years
Motor Vehicles	3 to 10 years

Assets are depreciated from the date of acquisition or in respect of internally constructed assets, from the time an asset is completed and held ready for use. The residual value, the useful life and the depreciation method applied to an asset are re-assessed at least annually. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation is expensed in the Statement of Profit or Loss and Other Comprehensive Income.

(l) Impairment of Assets

The carrying amounts of assets are reviewed at the end of each annual reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at the end of each annual reporting period.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the surplus or deficit.

Impairment losses recognised in respect of cash generating units are allocated to reduce the carrying amount of the assets in the unit (group of units) on a pro-rata basis.

Reversal of Impairment Losses
Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine recoverable amount.

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Intangible Assets

Goodwill
Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

1 Summary of Significant Accounting Policies (continued)

(m) Intangible Assets (continued)

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units expected to benefit from the synergies of the combination. Cash generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Residential Aged Care Places
Residential aged care places represent a right to operate a low care or high care bed. They are issued by the Federal Government free of charge and have no fixed period once operational. Blue Care does not assign a value to bed assets due to the lack of a clear market that buys and sells these assets. Blue Care held 4,119 (2013: 4,235) operational residential aged care places as at 30 June 2014.

Other Intangibles
Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as an expense when incurred. Annual software licensing costs are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as an expense when incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and sufficient resources exist to complete development.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The expenditure capitalised includes the cost of materials (including the perpetual license to use software), direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as an expense when incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. Capitalised development costs are recorded as intangible assets and amortised from a point at which the asset is ready for use on a straight-line basis over its useful life, which varies from 2 to 8 years.

1 Summary of Significant Accounting Policies (continued)

(m) Intangible Assets (continued)

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

(n) Joint Venture Arrangements

Interests in Joint Ventures
A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control (that is, when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control).

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as “jointly controlled entities”.

As permitted under Paragraph 38 of AASB131, the Group has elected to recognise its interest in a jointly controlled entity using the equity method rather than proportionate consolidation method.

The equity method is a method of accounting whereby an interest in a jointly controlled entity is initially recorded at cost and adjusted thereafter for Group’s share of the surplus or deficit of the jointly controlled entity.

Income from the sale or use of Group’s share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to / from the Group and the amount can be measured reliably.

Any goodwill arising on the acquisition of the Group’s interest in a jointly controlled entity is accounted for in accordance with the accounting policy for goodwill arising in a business combination.

(o) Financial Liabilities

Financial liabilities are classified as either financial liabilities “at fair value through profit or loss” or “other financial liabilities”.

Financial Liabilities at Fair Value through Profit or Loss
Financial liabilities are classified at fair value through profit or loss where the financial liability is either held for trading or it is designated at fair value through profit or loss. A financial liability is held for trading if:

- it has been incurred principally for the purpose of re-purchasing in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

1 Summary of Significant Accounting Policies (continued)

(o) Financial Liabilities (continued)

A financial liability other than a financial liability held for trading is designated at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise or;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives and AASB139 permits the entire combined contract (asset or liability) to be designated at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in the surplus or deficit. The net gain or loss recognised in the profit or loss incorporates any interest paid on the financial liability.

Other Financial Liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Accommodation Bonds and Entry Contributions

Accommodation bonds and entry contributions received from residents represent non-interest bearing deposits that are refundable in accordance with the relevant legislation and the individual resident agreement in the event the resident leaves a Blue Care facility.

As these accommodation bonds and entry contributions are considered to be repayable on demand, they are recorded at the amount initially received less any retentions Blue Care is allowed to deduct in accordance with the relevant legislation and resident agreement and are not discounted.

(p) Employee Benefits

Wages and Salaries

Liabilities for wages and salaries (including non-monetary benefits) expected to be settled within twelve months of the end of the annual reporting period, are recognised in respect of employees' services up to the end of the annual reporting period. They are carried at nominal value where the liability is expected to be settled within twelve months.

Annual Leave and Long Service Leave

A liability is recognised for benefits accruing to employees in respect of long service leave, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

1 Summary of Significant Accounting Policies (continued)

(p) Employee Benefits (continued)

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Employee Benefit On-costs
Employee benefit on-costs are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

Rostered Days Off and Time Off In Lieu
A liability for accrued rostered days off (RDO) and time off in lieu (TOIL) is recognised and has been measured at the amounts expected to be paid when the liabilities are settled.

Sick Leave
Under enterprise bargaining arrangements applicable to Blue Care employees, sick leave accrued by employees covered by the Queensland Nurses Union (QNU) Award and employees covered by the Australian Services Union (ASU) Award have been recognised and measured at the amounts expected to be paid when the employee takes sick leave entitlements and the balance of the liability is settled on termination. In respect to all other employees, liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits require to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts
Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where UnitingCare Health has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

1 Summary of Significant Accounting Policies (continued)

(r) Borrowings

Borrowings are initially recognised at fair value less any related transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost. Any difference between cost and redemption value is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income over the entire period of the borrowings on an effective interest basis. Fees paid on the establishment of loan facilities, which are not incremental costs relating to the actual draw-down facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are classified as current liabilities unless there is an unconditional right to defer the settlement of the liability for at least twelve months from the end of each annual reporting period.

Capitalised Borrowing Costs
The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the outstanding borrowings during the year.

(s) Derivative Financial Instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risk, including interest rate swaps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each annual reporting period. The resulting gain or loss is recognised in the surplus or deficit immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in the surplus or deficit depends on the nature of the hedge relationship.

(t) Business Streams

A business stream is a distinguishable component of UnitingCare Queensland that is engaged in providing products or services (business information), or in providing products or services within a particular economic environment (geographic information), which is subject to risks and rewards that are different from those of other segments.

2 Basis of Preparation

The Consolidated Financial Statements have been prepared on the basis of historical cost, except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies. Historical cost is generally based on the fair values of the consideration given in exchange for assets. The financial statements are presented in Australian dollars rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(a) Standards and Interpretations affecting the reported results or financial position

In the current year the Group has applied a number of new and revised accounting standards issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2013.

AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'	The Group has applied the amendments to AASB 7 'Disclosures – Offsetting Financial Assets and Financial Liabilities' for the first time in the current year. The amendments to AASB 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement. The amendments have been applied retrospectively. As the Group does not have any offsetting arrangements in place, the application of this amendment does not have any material impact on the consolidated financial statements.

2 Basis of Preparation (continued)

(a) Standards and Interpretations affecting the reported results or financial position (continued)

AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle'	The Annual Improvements to AASBs 2009 - 2011 have made a number of amendments to AASBs. The amendments that are relevant to the Group are the amendments to AASB 101 regarding when a statement of financial position as at the beginning of the preceding period (third statement of financial position) and the related notes are required to be presented. The amendments specify that a third statement of financial position is required when a) an entity applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items in its financial statements, and b) the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position. The amendments specify that related notes are not required to accompany the third statement of financial position.
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'	In the current year, the Group has applied AASB 119 (as revised in 2011) 'Employee Benefits' and the related consequential amendments for the first time. AASB 119 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. As the Group does not have any defined benefit obligations in place, the application of this amendment does not have any material impact on the consolidated financial statements.

2 Basis of Preparation (continued)

(a) Standards and Interpretations affecting the reported results or financial position (continued)

AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	The Group has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of AASB 13 is broad; the fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other AASBs require or permit fair value measurements and disclosures about fair value measurements, except for share based payment transactions that are within the scope of AASB 2 'Share-based Payment', leasing transactions that are within the scope of AASB 117 'Leases', and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes). AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements. AASB 13 requires prospective application from 1 July 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Group has not made any new disclosures required by AASB 13 for the 2013 comparative period (please see note 19(g) for the 2014 disclosures). Other than the additional disclosures, the application of AASB 13 does not have any material impact on the amounts recognised in the consolidated financial statements.

2 Basis of Preparation (continued)

(b) Standards and Interpretations in Issue but not yet Adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective. Initial application of the following Standards will not affect any of the amounts recognised in the financial statements but in some instances, will change the disclosures presently made in relation to the general purpose financial statement.

Standard / Interpretation and the Relevant Amending Standard	Effective for Annual Reporting Periods Beginning On or After	Expected to be Initially Applied in the Financial Year Ended
AASB9 Financial Instruments	1 January 2017	30 June 2018
AASB 1031 'Materiality' (2013)	1 January 2014	30 June 2015
AASB 2012-3 Amendments to Australian Accounting standards – Offsetting Financial Assets and Financial Liabilities	1 January 2014	30 June 2015
AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'	1 January 2014	30 June 2015
AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments'	1 January 2014	30 June 2015
AASB11 Joint Arrangements and AASB 2011-7 Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements Standards	1 January 2014	30 June 2015
INT 21 'Levies'	1 January 2014	30 June 2015

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were also in issue but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	1 January 2016	30 June 2017
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	1 January 2016	30 June 2017
IFRS 15 'Revenue from Contracts with Customers'	1 January 2017	30 June 2018

2 Basis of Preparation (continued)

(b) Standards and Interpretations in Issue but not yet Adopted (continued)

The potential effect of the revised Standards / Interpretations on the Group's financial statements has not yet been determined.

The financial statements have been prepared on an accruals basis of accounting and include the assumption that UnitingCare Queensland will continue to operate as a going concern. The historical cost convention has been applied, except for the revaluation of certain non-current assets and financial instruments. Cost is based on fair values of the consideration given in exchange for assets. The comparative amounts have been amended for any changes to the presentation or classification of items in the financial statements.

3 Revenue

	2014 $000s	2013 $000s
Revenue		
Patient and Client Revenue	450,025	420,631
Recoverable Revenue	117,701	106,252
Non-patient Revenue	14,905	14,414
Fundraising and Donation Revenue	4,693	5,957
Rental Revenue	7,707	7,447
Grants and Subsidies Revenue	584,464	561,318
Revenue from Rendering of Services	98,249	96,590
Residential Retentions Revenue	6,524	4,848
Sale of Goods	42,862	41,514
Miscellaneous Other Revenue	238	5
Interest Income		
Uniting Church Investment Services	5,566	9,797
Other	3,787	2,105
Total Revenue	**1,336,721**	**1,270,878**

	2014 $000s	2013 $000s
Other Income		
Capital Contributions from Clients	14,144	12,123
Capital Grants from Government	5,592	29,934
Donations for Capital Acquisitions	29	40
Bequests	5,151	8,479
Gain on Sale of Fixed Assets	14,120	3,914
Gain on Sale of Interest in Joint Venture	24,916	-
Other Income	5,484	9,027
Total Other Income	**69,436**	**63,517**

	2014 $000s	2013 $000s

4 Surplus / (Deficit) for the Year

The surplus / (deficit) for the year has been arrived at after charging / (crediting):

(a) Finance Costs

	2014 $000s	2013 $000s
Interest Expense – Uniting Church Investment Services	13,633	15,004
Interest Expense – Other	1,045	1,400
Total Finance Costs	**14,678**	**16,404**

(b) Depreciation and Amortisation Expense

	2014 $000s	2013 $000s
Depreciation	72,252	69,588
Amortisation	7,696	5,365
Total Depreciation and Amortisation Expense	**79,948**	**74,953**

Note the variance between note 4(b) (depreciation expense) and note 12 of $NIL (2013: $102,000). This relates to the accounting treatment of grant funded assets whereby the depreciation expense is recorded against the grant funding liability on the balance sheet. This treatment has been adjusted from 1 July 2013.

(c) Other Expenses

Other Expenses include:

	2014 $000s	2013 $000s
Marketing Expenses	2,613	2,156
Rentals & Leases	4,869	4,423
Rates & Taxes	2,311	2,166
Insurance Expenses	3,350	2,987
Bad and Doubtful Debts	1,148	953

(d) Write-offs and Impairment

	2014 $000s	2013 $000s
Capital Work in Progress	6,879	1,712
Goodwill	-	5
Total Write-offs and Impairment	**6,879**	**1,717**

5 Auditor's Remuneration

	2014 $000s	2013 $000s
Audit Fees	899	726
Other Regulatory Compliance Services	70	11
Other Assurance Services	146	-
Total Auditor's Remuneration	**1,115**	**737**

The auditor for UnitingCare Queensland is Deloitte Touche Tohmatsu.

	2014	2013
	$000s	**$000s**

6 Cash and Cash Equivalents

Cash on Hand	327	412
Cash at Bank	52,748	37,909
Deposits – Related Parties	310,668	305,059
Total Cash and Cash Equivalents	**363,743**	**343,380**

Reconciliation of Cash

Cash at the End of the Financial Year is Reconciled to Items in the Consolidated Statement of Financial Position as follows:

Cash and Cash Equivalents	363,743	343,380
Bank Overdraft	-	-
Total	**363,743**	**343,380**

Included in the cash and cash equivalents balance are funds received by way of grant or donation $6,362,674 (2013: $16,143,282) that are restricted in use to the purpose intended under the grant agreement or donation.

In addition the *Retirement Villages Act 1999* imposes statutory restrictions over all amounts held in Capital Replacement Funds $10,770,102 (2013: $8,444,149) and Maintenance Reserve Funds $2,061,297 (2013: $1,789,779) which restricts the use for which these funds can be applied. All residential aged care bond deposits received since 1 October 2011 have been expended on projects that meet the *Aged Care Act 1997* “permitted purposes”.

Also included in the cash and cash equivalents balance are trust funds received for the Ethal and John Richardson Trust and the Arthur Preston Trust $768,042 (2013: $767,654) that are restricted in use to the purpose intended under the trust agreement and funds and funds collected on behalf of Australian Regional and Remote Community Services as part of the Assembly Appeal $721,667 (2013: NIL).

7 Inventories

Current		
Medical Supplies At Cost	9,974	10,245
Linen At Net Realisable Value	792	709
Other At Cost	796	875
	11,562	**11,829**
Non-current		
Linen At Net Realisable Value	434	402
	434	**402**

The cost of inventories recognised as an expense during the year in respect of continuing operations was $197.669 million (2013: $180.763 million).

8 Trade and Other Receivables

	2014 $000s	2013 $000s
Trade Receivables	84,981	65,288
Allowance for Impairment of Trade Receivables	(2,380)	(1,891)
	82,601	63,397
Bonds Negotiated but not Received	12,754	9,662
Loans to Other Entities	0	67
Other Receivables	7,008	2,910
GST Recoverable	4,281	3,438
	24,043	16,077
Total Trade and Other Receivables	**106,644**	**79,474**

An allowance has been made for estimated irrecoverable trade receivable amounts arising from the past sale of goods and rendering of services, determined by reference to past default experience. Included in the receivables are balances for patient and client services, domiciliary client co-contributions, contract medical services, co-contributions for community aged care packages, residential aged care daily fees, interest on late payment of bonds and miscellaneous care services to residential and community clients.

The group has specifically provided for receivables or considered a general allowance for receivables over 120 days because historical experience is that receivables beyond 120 days are generally not recoverable. Trade receivables between 60 days and 120 days are provided for based on estimated irrecoverable amounts from the sale of goods and rendering of services, determined by reference to past default experience.

(a) Ageing of Past Due but Not Impaired

	2014 $000s	2013 $000s
60 - 90 days	2,406	2,219
90 – 120+ days	2,968	2,900
Total	**5,374**	**5,119**

Included in the trade receivable balance of UnitingCare Health are debtors with a carrying amount of $679,568 (2013: $357,398) which are past due at the reporting date for which UnitingCare Queensland has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable.

There was also $4,428,070 (2013: $3,777,792) of Bonds negotiated but not received which were more than 120 days past due but not impaired. Non-recovery of these would have no impact on income and would also result in an equivalent reduction in the accommodation bonds liability.

Retention income is receivable on these outstanding bonds and any outstanding retention payments are included in the Ageing of Past Due But Not Impaired amounts disclosed where applicable. Outstanding retention debts form part of the Resident Debtors balance within Trade and Other Receivables. Bonds negotiated but not received are also included in Trade Debtors and the balance net of retentions is included in the accommodation bonds liability.

8 Trade and Other Receivables (continued)

(b) Movement in Allowance for Impairment of Receivables

	2014 $000s	2013 $000s
Balance at Beginning of the Financial Year	1,891	1,331
Impairment Losses Recognised on Receivables	1,157	886
Amounts Written Off during the Year as Uncollectible	(686)	(327)
Amounts Recovered during the Year	14	2
Impairment Losses Reversed	4	-
Balance at End of the Financial Year	**2,380**	**1,892**

9 Other Assets

	2014 $000s	2013 $000s
Current		
Prepayments	12,429	12,688
Accrued Income	8,313	8,296
Deposits	521	521
Other	-	5
Total Other Assets	**21,263**	**21,510**
Non-current		
Loans to Other Entities (a)	1,898	2,805
Imputation Tax Receivable	1,329	3,701
Funds Held in Trust	1,370	1,347
Total Other Assets	**4,597**	**7,853**

(a) The loan to other entities consists of an unsecured loan to Wesley Medical Imaging Pty Ltd, a 50% joint venture with UnitingCare Health.

The Wesley Medical Imaging Pty Ltd loan is for a ten year period and was provided to assist with working capital and capital development requirements. The directors exercised an option available in the first year of the loan to capitalise interest on the outstanding balance. The interest is charged quarterly at BBSW plus 4% and has been capitalised to the loan.

At 30 June 2014, the balance of the loan was $1,897,964 (2013: $2,871,804).

Included in the funds held in trust balance are trust funds received for the Ethel and John Richardson Trust and the Arthur Preston Trust $1,370,487 (2013: $1,346,780) that are restricted in use to the purpose intended under the trust agreement.

	2014	2013
	$000s	$000s

10 Assets Classified as Held for Sale

	2014 $000s	2013 $000s
Land	620	-
Buildings	811	-
Total Assets Classified as Held for Sale	**1,431**	**-**

At June 2014, Blue Care had two properties held for resale.

The first property has an executed contract date of 4 November 2013 for the sale of freehold land (lot 101) and commercial buildings at 405 Bowen Terrace, New Farm, with a land value of $3,250,000 as per clause 11.1 of the Development Agreement between The Uniting Church in Australia Property Trust (Q) on behalf of Blue Care and Brisbane Housing Company Limited. The date for completion is subject to special conditions as set out in Annexure A of the Development Agreement, but is expected to be completed prior to the end of June 2015.

The second property has an executed contract date 19 June 2014 for the sale of freehold land (lot 2) and commercial office building at 59 Capper Street, Gayndah, with a sale value of $80,000. The date for completion is 13 August 2014. Refer to note 30 regarding the sale of this property.

11 Jointly Controlled Entities

	2014 $000s	2013 $000s
Jointly Controlled Entities	2,855	9,405
Total Jointly Controlled Entities	**2,855**	**9,405**

(a) Movements during the Year for Jointly Controlled Entities

	2014 $000s	2013 $000s
Balance at Beginning of the Financial Year	9,405	8,116
Add:		
Share of Jointly Controlled Entities’ Profit	2,576	3,839
Less:		
Distributions Received or Receivable	(7,683)	(1,364)
Imputation Tax Credits	(881)	(1,186)
Carrying Amount of Investment at Date of Sale	(562)	-
Balance at End of the Financial Year	**2,855**	**9,405**

	2014	2013
	$000s	$000s

11 Jointly Controlled Entities (continued)

(b) Summarised Presentation of Consolidated Assets, Liabilities and Performance

	2014 $000s	2013 $000s
Financial Position		
Current Assets	8,921	13,096
Non-current Assets	12,858	39,652
Current Liabilities	(5,655)	(11,702)
Non-current Liabilities	(10,414)	(22,208)
Net Assets	**5,710**	**18,838**
Share of Jointly Controlled Entities' Net Assets	2,855	9,416

	2014 $000s	2013 $000s
Financial Performance		
Income	50,721	63,864
Expenses	(46,005)	(56,105)
Profit	**4,716**	**7,759**
Share of Jointly Controlled Entities' Profit	2,576	3,839
Less reversal of prior year profit from capital grant	-	-
Adjusted share of Jointly Controlled Entities' Profit	**2,576**	**3,839**

(c) Ownership Interest

	Principal Activities	Ownership Interest		Carrying Amount of Investment	
				2014	2013
		2014%	2013%	$000s	$000s
Name					
Wesley Radiation Oncology Trust (WROT)	Healthcare	0.00	50.00	-	7,739
Wesley Monash IVF Joint Venture (WMIVF)	Healthcare	0.00	40.00	-	2
Wesley Medical Imaging Pty Ltd (WMI)	Healthcare	50.00	50.00	2,855	1,664
				2,855	**9,405**

11 Jointly Controlled Entities (continued)

In the prior year, UnitingCare Health held a 50% interest in Wesley Radiation Oncology Trust and a 40% interest in Wesley Monash IVF Joint Venture and accounted for the investment as an associate. In November 2013, UnitingCare Health disposed of their interest in Wesley Monash IVF Joint Venture to a third party for $1.29 million (received in December 2013). In February 2014, UnitingCare Health disposed of their interest in Wesley Radiation Oncology Trust to a third party for $25 million (received in February 2014). The transactions have resulted in the recognition of a gain in profit or loss, calculated as follows:

	WROT	WMIVF	Total
	$000s	$000s	$000s
Proceeds of disposal	25,049	1,290	26,339
Add (Less): carrying amount of investment	(573)	11	(562)
Less: costs of sale (legals and consultants)	(847)	(14)	(861)
Gain Recognised	**23,629**	**1,287**	**24,916**

A joint and several liability over an asset finance facility amounting to $10,000,000 have been entered into by the two joint venture parties of Wesley Medical Imaging Pty Ltd. As at the end of the annual reporting period, no funds have been drawn down by the joint venture.

	2014 $000s	2013 $000s
12 Property, Plant and Equipment		
CAPITAL WORKS IN PROGRESS		
Capital Works in Progress		
At Cost	103,294	108,987
Total Capital Works in Progress	**103,294**	**108,987**
LAND AND BUILDINGS		
Freehold Land		
At Cost	157,095	158,922
Total Freehold Land	**157,095**	**158,922**
Buildings and Improvements		
At Cost	1,001,963	922,967
Less: Accumulated Depreciation	(328,641)	(309,346)
Total Buildings and Improvements	**673,322**	**613,621**
Total Land and Buildings	**830,417**	**772,543**
PLANT AND EQUIPMENT		
Plant and Equipment		
At Cost	352,162	332,562
Less: Accumulated Depreciation	(206,660)	(191,108)
Total Plant and Equipment	**145,502**	**141,454**
Motor Vehicles		
At Cost	51,683	51,433
Less: Accumulated Depreciation	(24,233)	(24,751)
Total Motor Vehicles	**27,450**	**26,682**
Total Plant and Equipment	**172,952**	**168,136**
Total Property, Plant and Equipment	**1,106,663**	**1,049,666**

12 Property, Plant and Equipment (continued)

Legal title to all property beneficially utilised in the services of the organisation is held in trust by the Uniting Church in Australia Property Trust (Q.) (Property Trust).

Assets Pledged as Security

Freehold land and buildings with a carrying amount of $139,440,037, (2013: $145,311,465) have been pledged to secure borrowings of the Property Trust. The freehold land and buildings have been pledged as security for bank loans under a mortgage. The Property Trust is not allowed to pledge these assets as security for other borrowings or to sell them to another entity without the approval from the Australia and New Zealand Banking Group Limited.

The group entered into a contract in June 2012 with the Commonwealth of Australia for funding support to construct a 96 day bed hospital in Hervey Bay that is fully equipped with e-Health technology to deliver a fully digital hospital. The contract requires the pledge of certain assets at Hervey Bay as security for the completion of obligations under this contract. As at 30 June 2014 $36,324,946, (2013: $32,688,582) had been received and assets to this value are expected to be pledged in the 2014 financial year.

During the year, freehold land and buildings with a carrying amount of $5,148,719 (2013: $335,577) have been pledged to the Queensland Government to secure grant funding over two centre based day care facilities in Gatton and Goondiwindi and two centre based day respite centres in Coomera and Toowoomba. The freehold land and buildings have been pledged as security under grant funding agreements under a mortgage. The Group is able to pledge these assets as security for other borrowings provided that the funder remains as a second mortgagee.

In total, assets of $41,473,665, (2013: $33,024,159) which is 3.8% of total property, plant and equipment, has been or will be pledged to secure government grants.

Leased Assets

Plant and equipment includes an amount of $10,424,000, (2013: $7,748,158) of leased equipment at cost and $3,411,747 (2013: $2,533,986) of accumulated depreciation where UnitingCare Health is a lessee under a finance lease.

St Stephen Hospital, Maryborough

In May 2013, St Stephens Hospital, Maryborough announced that acute care services will transition to Hervey Bay when the expanded facility opens in October 2014. UnitingCare Health has made the decision to not operate St Stephens Hospital, Maryborough as a hospital. The future use of the facility is yet to be determined.

12 Property, Plant and Equipment (continued)

Movements in Carrying Amounts

Movement in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year is as follows:

	Capital Works in Progress $000s	Land $000s	Buildings and Improvements $000s	Plant and Equipment $000s	Motor Vehicles $000s	Total $000s
2013						
Balance at Beginning of the Year	112,905	151,180	558,296	138,228	27,343	**987,952**
Additions	90,897	817	20,537	16,006	9,403	**137,660**
Disposals	(1,181)	(766)	(604)	(96)	(1,570)	**(4,217)**
Impairment	(1,712)	-	-	-	-	**(1,712)**
Transfers	(91,922)	7,691	68,396	15,508	-	**(327)**
Depreciation Expense	-	-	(33,004)	(28,192)	(8,494)	**(69,690)**
Carrying Amount at End of the Year	**108,987**	**158,922**	**613,621**	**141,454**	**26,682**	**1,049,666**
2014						
Balance at Beginning of the Year	108,987	158,922	613,621	141,454	26,682	**1,049,666**
Additions	118,012	351	9,091	17,657	12,070	**157,181**
Disposals	(585)	(2,023)	(1,715)	(908)	(2,857)	**(8,088)**
Impairment	(6,879)	-	-	-	-	**(6,879)**
Transfers	(116,139)	465	88,009	16,233	-	**(11,432)**
Depreciation Expense	-	-	(34,873)	(28,934)	(8,445)	**(72,252)**
Other	(102)	(620)	(811)	-	-	**(1,533)**
Carrying Amount at End of the Year	**103,294**	**157,095**	**673,322**	**145,502**	**27,450**	**1,106,663**

Certain transfers out of capital work in progress have been processed through asset class additions and transfers to intangible assets have been recognised as additions in note 13

13 Intangible Assets

	Computer Software $000s	Goodwill $000s	Total $000s
2013			
Opening Balance	20,495	5	**20,500**
Additions	5,705	-	**5,705**
Disposals	-	-	**-**
Transfers	327	-	**327**
Impairment	-	(5)	**(5)**
Amortisation	(5,365)	-	**(5,365)**
Balance at 30 June 2013	**21,162**	**-**	**21,162**
2014			
Opening Balance	21,162	-	**21,162**
Additions	10,898	-	**10,898**
Disposals	(410)	-	**(410)**
Transfers	1,739	-	**1,739**
Amortisation	(7,696)	-	**(7,696)**
Balance at 30 June 2014	**25,693**	**-**	**25,693**

Intangible assets include all costs incurred in development and customisation of various software programs utilised by UnitingCare Queensland in its operations.

Significant Intangible Assets
UnitingCare Health has licenses for a clinical information system and supporting business and financial software that manages patient clinical, invoicing and financial information. The carrying amount of the licenses is $2,912,592 (2013: $2,826,213) due to upgrades and ongoing improvements. It is expected that this will be fully amortised in two to five years (2013: two to five years).

During the year ended 30 June 2014, Blue Care incurred costs for the following: (i) for significant enhancements to the client care system, $6,814,899; (ii) Microsoft Exchange/Citrix upgrades at a cost of $1,241,966; and (iii) new budget tool software at a cost of $709,061. During the year ended 30 June 2013, Blue Care updated the client care system at a cost of $2,108,951.

In Group Office the significant intangible assets are related to the Service Now customer service and tracking platform. The Service Now asset has a carrying value of $165,234 and the remote monitoring sub-module of Service Now including its integration to the outsourced service provider has a carrying value of $1,037,842.

14 Trade and Other Payables

	2014 $000s	2013 $000s
Current		
Trade Payables	37,352	33,516
Sundry Payables and Accrued Expenses	51,535	35,653
Other Payables	392	1,203
Total Current Trade and Other Payables	**89,279**	**70,372**
Non-current		
Maintenance Reserve Funds	1,967	1,653
Total Non-current Trade and Other Payables	**1,967**	**1,653**

The group have financial risk management policies in place to ensure that payables are paid within the credit framework. The credit framework is determined by the terms of the creditors and interest is not payable when paid within trading terms.

Maintenance Reserve Funds are established under section 97 of the Retirement Villages Act 1999 (Qld) for maintaining and repairing the retirement villages' capital items. The amounts held in the funds are solely for the benefit of the residents and the residents are solely responsible for contributing to the funds. The balance of the fund is set annually by an external quantity surveyor and drawn down as the allowed items are incurred.

15 Accommodation Bonds and Entry Contributions

	2014 $000s	2013 $000s
Current		
Accommodation Bonds – Aged Care Facilities Expected to be paid within 12 months	49,259	43,636
Accommodation Bonds – Aged Care Facilities Not Expected to be Paid within 12 months	100,541	107,877
Entry Contributions – Retirement Villages Expected to be paid within 12 months	16,176	16,396
Entry Contributions – Retirement Villages Not Expected to be Paid within 12 months	97,757	69,824
Total Accommodation Bonds and Entry Contributions	**263,733**	**237,733**

Accommodation Bonds are held in respect of clients in residential aged care facilities. Entry Contributions are held for clients of retirement living units covered under the Retirement Villages Act. These are recognised as current liabilities for reporting purposes but have been split in this note into the ageing categories for information enhancement. This is based on refunds expected to be paid. The cash required to cover the refund of Accommodation Bonds are subject to a documented liquidity management strategy.

16 Borrowings

	2014 $000s	2013 $000s
Current		
Finance Lease Obligation (a)	1,083	1,037
Total Current Borrowings	**1,083**	**1,037**
Non-current		
Finance Lease Obligation (a)	2,913	4,063
Loans - Uniting Church Investment Services (b)	228,780	224,329
Total Non-current Borrowings	**231,693**	**228,392**

(a) Secured by the assets leased. The borrowings are a mix of variable and fixed interest rate debt with repayment periods up to seven years. The current weighted average effective interest rate on the finance lease liabilities is 6.153% p.a. (2013: 6.27% p.a.).
(b) Interest of 6.06% pa – 6.30% pa is charged on outstanding loan balances (2013: 6.27% pa – 7.1% pa).

Total Current and Non-current Secured Liabilities

	2014 $000s	2013 $000s
Finance Lease Obligations	3,996	5,100
Loans - Uniting Church Investment Services	228,780	224,329
Total Current and Non-current Secured Liabilities	**232,776**	**229,429**

Finance Leases
Finance leases relate to equipment with lease terms of one to fifteen years. The group has the option to purchase the equipment for a nominal amount at the conclusion of the lease agreements.

The obligation under finance leases are secured by the lessor's title to the leased assets.

(a) Assets Pledged as Security
As at the end of the annual reporting period, no assets other than assets under a finance lease, and those assets outlined in note 12, are pledged as security.

The group has no legal right of set-off of any assets and liabilities.

(b) Bank Loan Facility
Unrestricted access was available at the end of the annual reporting period to the following lines of credit:

	2014 $000s	2013 $000s
Total Facilities (Related Party)	253,000	253,000
Less: Used at the End of the Reporting Period	(228,780)	(224,329)
Unused at the End of the Reporting Period	**24,220**	**28,671**

The facility may be drawn at any time. The interest rates at the end of the annual reporting period were BBSW 30d + 3.5% pa (2013: BBSW 30d + 3.5% pa).

	2014	2013
	$000s	**$000s**

17 Employee Benefits and Other Provisions

Current		
Liability for Annual Leave	63,289	58,747
Liability for Long Service Leave	52,704	49,413
Liability for Accrued Day Off and Other Leave	1,438	1,481
Liability for Sick Leave	5,865	5,749
Other Provision	117	23
Total Current Employee Benefits and Other Provisions	**123,413**	**115,413**
Non-current		
Liability for Long Service Leave	16,056	15,462
Total Non-current Employee Benefits and Other Provisions	**16,056**	**15,462**

18 Other Liabilities

Current		
Fundraising Monies Held in Trust	1,246	1,110
Grant Funding Liability	28,160	22,904
Unearned Income (a)	720	545
Income Received in Advance	1,692	141
Total Current Other Liabilities	**31,818**	**24,700**
Non-current		
Fundraising Monies Held in Trust	598	588
Unearned Income (a)	9,274	9,490
Total Non-current Other Liabilities	**9,872**	**10,078**

(a) A lease to Wesley Research Institute Limited is for a 99 year period and has been prepaid. This lease does not have an option to renew or purchase the leased asset at the expiry of the lease period.

The Wesley Hospital entered into an 18 year lease with Wesley Medical Imaging (WMI) for an extension immediately adjacent to the existing leased space. The construction of the external walls, roof and floors of the leased space has been funded by WMI as a prepaid lease consideration. The asset is recognised as an asset of UnitingCare Health and the prepaid rental amortised over the term of the lease.

19 Financial Instruments

(a) Financial Risk Management Objectives

The Group's activities expose it to a variety of financial risks; market risks (including fair value interest rate risk), credit risk, liquidity risk, and cash flow interest rate risk. The overall risk management program of UnitingCare Queensland focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance. UnitingCare Queensland from time to time uses derivative financial instruments such as interest rate swaps, to hedge certain risk exposures.

UnitingCare Queensland and its Service Group's deposit funds with and borrow funds from Uniting Church Investment Services (UCIS), the Treasury arm of The Uniting Church Property Trust (Q.). Risk management is carried out under policies approved by the Finance Investment Property Trust Board.

(b) Capital Risk Management

UnitingCare Queensland manages capital to ensure that the organisation will be able to continue as a going concern while maximising the return through optimisation of the debt and funds balance.

The capital structure consists of debt borrowings as detailed in note 16 and cash and cash equivalents as detailed in note 6.

Operating cash flows are used to maintain and expand the services assets, as well as to make the routine outflows of tax and repayment of maturing debt. The policy is to borrow centrally, using a variety of borrowing facilities to meet anticipated funding requirements.

(c) Credit Risk Management

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. At the end of the annual reporting period there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Consolidated Statement of Financial Position.

(d) Market Risk

UnitingCare Queensland has significant interest-bearing assets and therefore, the income and operating cash flows are materially exposed to changes in market interest rates.

(e) Liquidity Risk Management

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out of market positions. UCIS maintains flexibility in funding by keeping credit lines available.

19 Financial Instruments (continued)

Financial Assets

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Effective Interest Rate	Maturing 1 Year	Maturing 1-2 Years	Maturing > 2 Years	Total
		$000s	$000s	$000s	$000s
	%				
30 June 2013					
Non-interest Bearing Available					
Cash and Cash Equivalents		412	-	-	**412**
Receivables		69,812	-	-	**69,812**
Floating Interest Rate Available					
Cash and Cash Equivalents	3.56	342,968	-	-	**342,968**
Loan to Other Entities	7.77	175	438	2,192	**2,805**
Other Current Assets	3.00	521	-	-	**521**
Other Receivables		9,662	-	3,701	**13,363**
Total Financial Assets		**423,550**	**438**	**5,893**	**429,881**
30 June 2014					
Non-interest Bearing Available					
Cash and Cash Equivalents		326	-	-	**326**
Receivables		93,889	-	-	**93,889**
Floating Interest Rate Available					
Cash and Cash Equivalents	2.37	363,417	-	-	**363,417**
Loan to Other Entities	6.69	-	145	1,753	**1,898**
Other Current Assets	3.07	521	-	-	**521**
Other Receivables		12,754	-	1,329	**14,083**
Total Financial Assets		**470,907**	**145**	**3,082**	**474,134**

19 Financial Instruments (continued)

Financial Liabilities

The following table details the Group's expected maturity for its financial liabilities.

	Effective Interest Rate %	Maturing 1 Year $000s	Maturing 1-2 Years $000s	Maturing > 2 Years $000s	Total $000s
30 June 2013					
Floating Interest Rate Available					
Bank Loans and Overdrafts	6.27	1,037	-	228,392	**229,429**
Non-interest Bearing Available					
Accommodation Bonds and Entry Contributions (i)		237,733	-	-	**237,733**
Trade and Other Payables		72,025	-	-	**72,025**
Other Liabilities		24,014	588	-	**24,602**
Total Financial Liabilities		**334,809**	**588**	**228,392**	**563,789**
30 June 2014					
Floating Interest Rate Available					
Bank Loans and Overdrafts	6.15	1,083	-	231,693	**232,776**
Non-interest Bearing Available					
Accommodation Bonds and Entry Contributions (i)		263,733	-	-	**263,733**
Trade and Other Payables		91,246	-	-	**91,246**
Other Liabilities		29,406	598	-	**30,004**
Total Financial Liabilities		**385,468**	**598**	**231,693**	**617,759**

(i) Blue Care has negotiated 164 bonds and 136 entry contributions for the year ended 30 June 2014. During this same period, 230 bonds and 90 entry contributions were refunded. The value of new bonds is approximately $44,000 higher for each bond than the value of bonds refunded.

This compares with the year ended 30 June 2013 where 169 bonds and 103 entry contributions were negotiated and 214 bonds and 66 entry contributions were refunded. The value of new bonds was approximately $34,000 higher for each bond than the value of bonds refunded.

	2014	2013
	$000s	**$000s**

19 Financial Instruments (continued)

(f) Interest Rate Risk Management

Interest Rate Sensitivity Analysis

Interest rate risks on borrowings are managed with the aim of reducing the impact of short-term fluctuations in earnings. Over the longer-term, however, permanent changes in interest rates would have an impact on earnings. At 30 June 2014, it is estimated that a general increase of one percentage point in interest rates on borrowings would decrease the net result for the year by approximately $2,327,759 (2013: $2,294,293). The borrowings relates to loans held by UnitingCare Health.

(g) Fair Value of Financial Instruments

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.
- the fair value of derivative instruments, are calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives and option pricing models for optional derivatives.
- the fair value of monetary financial assets and financial liabilities not readily traded in an organised financial market are determined by valuing them at the present value of contractual future cash flows on amounts due from customers (reduced for expected credit losses) or due to suppliers. The carrying amounts of financial assets and financial liabilities which have been recognised on the Consolidated Statement of Financial Position approximate their fair values.

	Note	Level	Carrying Amount 2014 $000s	Fair Value 2014 $000s	Carrying Amount 2013 $000s	Fair Value 2013 $000s
Financial Assets						
Cash and Cash Equivalents	6	1	363,743	363,743	343,380	343,380
Trade and Other Receivables	8	2	106,644	106,644	79,474	79,474
Loans to Other Entities	9	2	1,898	1,898	2,805	2,805
Other Assets	9	2	1,850	1,850	4,222	4,222
Financial Liabilities						
Trade and Other Payables	14	2	91,246	91,246	72,025	72,025
Accommodation Bonds and Entry Contributions	15	2	263,733	263,733	237,733	237,733
Bank Loans and Overdrafts	16	2	232,776	232,776	229,429	229,429
Other Liabilities	18	2	30,004	30,004	24,602	24,602

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models, with the most significant input being the discount rate that reflects the credit risk of counterparties.

20 Obligations under Finance Leases

(a) Leasing Arrangements

Finance leases relate to equipment with lease terms of one to fifteen years. An option to purchase the equipment for a nominal amount at the conclusion of the lease agreement exists.

(b) Finance Lease Liabilities

	2014 $000s	2013 $000s
Minimum Lease Payments Payable		
No later than 12 months	1,341	1,364
Between 12 months and 5 years	3,193	4,600
Greater than 5 years	0	9
Minimum Lease Payments	4,534	5,973
Less: Future Finance Changes	(538)	(873)
Present Value of Minimum Lease Payments	**3,996**	**5,100**
Present Value of Minimum Lease Payments Payable		
No later than 12 months	1,083	1,037
Between 12 months and 5 years	2,913	4,055
Greater than 5 years	0	8
Present Value of Minimum Lease Payments	**3,996**	**5,100**

(c) Fair Value

The fair value of the finance lease liabilities is approximately equal to their carrying amount.

21 Operating Lease Arrangements

(a) Leasing Arrangements

Operating leases relate to leases of office and warehouse facilities, motor vehicles and equipment with lease terms of between three to six years.

(b) Payments Recognised as an Expense

	2014 $000s	2013 $000s
Minimum Lease Payments	18,974	19,462
	18,974	**19,462**

	2014	2013
	$000s	$000s

21 Operating Lease Arrangements (continued)

(c) Non-cancellable Operating Lease Commitments

Non-cancellable operating leases over plant and IT equipment, motor vehicles and premises contracted for but not capitalised in the financial statements are payable as follows:

Minimum Lease Payments Payable

	2014 $000s	2013 $000s
Not later than 12 months	14,876	13,834
Between 12 months and 5 years	19,616	17,039
Greater than 5 years	1,197	1,639
	35,689	**32,512**

22 Commitments for Expenditure

(a) Capital Expenditure Commitments

Buildings

	2014 $000s	2013 $000s
Not later than 12 months	24,770	59,530
Between 12 months and 5 years	-	1,142
	24,770	**60,672**

Plant and Equipment

	2014 $000s	2013 $000s
Not later than 12 months	4,867	2,505
	4,867	**2,505**

Software

	2014 $000s	2013 $000s
Not later than 12 months	346	7,646
	346	**7,646**

(b) Lease Commitments

Finance lease liabilities and non-cancellable operating lease commitments are disclosed in notes 21 and 22 to the financial statements.

(c) Other Expenditure Commitments

Expenditure commitments for software licenses, maintenance and other contracts total $30,881,003 (2013: $3,108,007). $5,748,246 (2013: NIL) is committed in the next twelve months and $25,132,757 (2013: $3,108,007) is committed between twelve months and five years.

There are no other material expenditure commitments other than those disclosed above.

23 Contingent Liabilities

Periodically, the organisation is notified of claims from previous and / or current people who have received services from the Uniting Church or its predecessor Denominations. Although UnitingCare Queensland and the Uniting Church of Queensland meet with claimants, any payments made to claimants are paid by the Church and / or insurers and not by UnitingCare Queensland.

The hospitals of UnitingCare Health have been named in several legal claims of a medical nature. The outcome of these claims is uncertain. The UnitingCare Queensland Board are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement. Insurance policies are adequate to meet these claims. The maximum exposure to liability for excess payments in respect of these claims is $373,355 (2013: $607,247).

UnitingCare Health has bank guarantees with UCIS totalling $279,510 (2013: $279,510).

UnitingCare Health, Blue Care and UnitingCare Community have from time to time received capital grants from the State and Commonwealth Government. Any unutilised portion may be repayable in circumstances where the asset is sold or its use is discontinued.

The Child Care centres operated by the organisation were built with the assistance of the Commonwealth and State Governments. The terms of the agreement provide that any Government funds for the initial construction costs less 4% of the funds per year must be repaid if the centres were closed down within 25 years from the date of initial use. The organisation has no current intention to close these centres. The contingent liability at 30 June 2014, if the centres were to be closed within the 25 years period, is $369,940 (2013: $429,435).

Other than the above matters, and the provision of several bank guarantees, the Board is not aware of any other contingent liabilities at the date of this report.

24 Transfer of Common Control Entity

During the 2013 year, the assets and liabilities of Congress Community Development and Education Unit Limited (CCDEU) was transferred from the Uniting Church in Australia – Queensland Synod to Blue Care. The total net effect of this common control transaction of $6,138,185 was recognised in Other Comprehensive Income over the past two financial years and accounted for as a reserve in the Statement of Changes in Funds.

The balances transferred are as follows:

	Total $000's
For the year ended 30 June 2013	
Total Assets	9,619
Total Liabilities	(3,743)
Net Assets of Common Control Entity	**5,876**
For the year ended 30 June 2014	
Adjustment to Assets Transferred	262
Total Net Assets of Common Control Entity	**6,138**

25 Cash Flow Information

Reconciliation of Cash Flow from Operating Activities to Operating Surplus

	2014 $000s	2013 $000s
Operating Surplus (a)	35,868	28,805
Cash Flows Excluded from Profit Attributable to Operating Activities		
Adjustments for:		
Depreciation and Amortisation Expense	79,948	74,953
Retentions from Accommodation Bonds and Entry Contributions	(6,524)	(4,848)
Fair Value Loss on Financial Instrument	-	(481)
Cash Distributions from Jointly Controlled Entities	7,683	1,835
(Gain) / Loss on Sale of Assets	(38,201)	(3,567)
Write-offs and Impairment of Non-current Asset	6,879	1,717
Share of Profits in Associates	(2,576)	(3,839)
(Increase) / Decrease in Trade and Other Receivables	(28,429)	5,081
(Increase) / Decrease in Prepayments	505	(330)
(Increase) / Decrease in Inventories	234	(582)
(Increase) / Decrease in Other Current Assets	7,775	(3,272)
Increase / (Decrease) in Trade Payable and Other Payables	19,182	(2,530)
Increase / (Decrease) in Other Creditors	7,320	(1,842)
Increase in Resident Accounts	-	227
Increase in Employee Benefits and Other Provisions	8,600	10,619
Net Cash Inflow from Operating Activities	**98,264**	**101,946**

(a) Operating surplus includes other income which does not form part of revenue from continuing operations amounting to $32,142,636 (2013: $32,770,312)

26 Key Management Personnel Compensation

In addition to their salaries, the organisation provides non-cash benefits to key management personnel. Key management personnel compensation paid to executives included in salaries and employee costs (refer to Consolidated Statement of Profit or Loss and Other Comprehensive Income) are as follows:

	2014 $000s	2013 $000s
Short-term Employee Benefits	8,711	7,588
Post-employment Benefits	863	779
Termination Benefits	387	189
	9,961	**8,556**

Other Key Management Personnel Transactions with the Organisation or its Controlled Entities
A number of key managers, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.

A number of these entities transacted with the organisation in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on an arm's length basis, for similar transactions to non-key management personnel related entities.

From time to time, the UnitingCare Queensland Board members or their related entities may purchase goods or services from the organisation. These purchases are on the same terms and conditions as those entered into by employees or customers and are trivial or domestic in nature.

27 Other Related Party Disclosures

(a) Equity Interests in Related Parties

Equity Interests in Joint Ventures

Details of jointly controlled entities are disclosed in note 11 to the financial statements. Details of a loan to a joint venture are disclosed in note 9 to the financial statements.

(b) Transactions with Other Related Parties

UnitingCare Queensland is part of the Uniting Church in Australia - Queensland Synod and has a related party relationship with various agencies and departments of the Uniting Church in Australia Property Trust (Q.) including The Department of Finance and Property Services, Uniting Church Investment Services and Uniting Church Insurance.

Related party transactions occur between Uniting Church Investment Services, the Group Office, UnitingCare Health, Blue Care and UnitingCare Community.

27 Other Related Party Disclosures (continued)

(c) Transactions and Balances with Related Parties

The Uniting Church in Australia Property Trust (Q.), (the Property Trust), is the legal entity under which all activities of UnitingCare Queensland are conducted. Certain transactions require the delegated authority of the Property Trust to be completed (that is, land purchase and sales, receipt of bequests, execution of contracts). Neither the Property Trust, the Uniting Church Investment Services, nor the Department of Finance and Property Services impose any material charge for the performance of these transactions. Insurance, investment and financing services are also provided through The Uniting Church in Australia - Queensland Synod.

The Property Trust has entered into various agreements with The Wesley Research Institute Limited and St Andrew's Medical Institute Foundation Limited to supply grant funding, administration services and rent assistance. The Wesley Research Institute Limited has entered into lease agreements for premises and the construction of premises on a commercial basis with the Property Trust.

Consolidated surplus for the year includes the following amounts arising from transactions with key management personnel of the Group or their related parties:

	2014 $000s	2013 $000s
Uniting Church in Australia – Queensland Synod		
Chaplains Fees Paid to Synod for Chaplaincy Services	(3,114)	(2,879)
Mission and Service Fund Contribution	(818)	(794)
Insurance Premiums Paid	(8,415)	(7,663)
Other Expenses	(202)	(7)
Board Remuneration	(75)	(72)
Funds Held in Trust	1370	1,347
Net (Payables) Owed	10	(21)
Uniting Church Investment Services		
Interest Revenue Received	7,491	9,797
Borrowing Costs Paid	(13,633)	(15,004)
Cash on Deposit at the End of the Annual Reporting Period	311,189	305,580
Non-current Interest Bearing Liability at the End of the Annual Reporting Period	(228,780)	(224,329)
UnitingCare Australia		
Contribution Paid	(435)	(428)

28 Economic Dependency

Blue Care is dependent on both State and Commonwealth Government subsidies and grants to fund its operations. The continued support and funding of aged care facilities by the Federal Government is subject to regular reviews and accreditation requirements.

UnitingCare Health is dependent on revenue from health insurance funds, primarily Bupa Australia Pty Ltd and Medibank Private Limited.

UnitingCare Community is dependent on both State and Commonwealth Government subsidies and grants to fund its operations. The continued support and funding of community care programs and facilities by the Federal Government is subject to regular reviews and accreditation requirements.

The Uniting Church in Australia - Queensland Synod
UnitingCare Queensland

Notes to the Financial Statements

For the Year Ended 30 June 2014

29 Business Streams

	Group Office		UnitingCare Health		Blue Care		UnitingCare Community		Foundations		Eliminations		Consolidated	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
	$000's	**$000's**	**$000's**	**$000's**	**$000's**	**$000's**	**$000's**	**$000's**	**$000's**	**$000's**	**$000's**	**$000's**	**$000's**	**$000's**
REVENUE														
Governments	-	-	19,184	42,191	459,199	419,155	113,237	119,388	-	-	-	-	**591,620**	**580,734**
Patients, clients and residents	-	-	553,648	513,404	117,622	126,751	15,470	11,118	-	-	-	-	**686,740**	**651,273**
Sale of Goods							42,862	41,514					**42,862**	**41,514**
Other sources	37,627	30,025	55,017	30,884	27,799	26,921	2,996	4,226	20	20	(38,524)	(31,202)	**84,935**	**60,874**
Share of surplus from jointly controlled entities	-	-	2,576	3,839	-	-	-	-		-		-	**2,576**	**3,839**
Total Revenue	**37,627**	**30,025**	**630,425**	**590,318**	**604,620**	**572,827**	**174,565**	**176,246**	**20**	**20**	**(38,524)**	**(31,202)**	**1,408,733**	**1,338,234**
Business Results	**1,706**	**89**	**29,380**	**27,787**	**5,124**	**258**	**(353)**	**670**	**11**	**1**	**-**	**-**	**35,868**	**28,805**
Finance Costs	-	-	13,947	15,714	731	690	-	-	-	-	-	-	**14,678**	**16,404**
ASSETS														
Business assets	27,556	14,687	593,048	536,860	956,210	907,559	90,077	92,111	779	772	(22,784)	(7,308)	**1,644,885**	**1,544,681**
Jointly controlled entities	-	-	2,855	9,405	-	-	-	-	-	-		-	**2,855**	**9,405**
LIABILITIES														
Business liabilities	24,141	12,973	339,461	312,653	394,208	350,943	33,895	35,576	-	3	(22,791)	(7,308)	**(768,914)**	**704,840**

29 Business Streams (continued)

(a) Accounting Policies

Business revenues and expenses are those directly attributable to the businesses and include any joint revenue and expenses where a reasonable basis of allocation exists. Business assets include all assets used by a business and consist principally of cash, receivables, inventories, intangibles, and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most such assets can be directly attributed to individual businesses, the carrying amount of certain assets used jointly by two or more businesses is allocated to the business on a reasonable basis. Business liabilities consist principally of payables, employee benefits, accrued expenses, provisions and borrowings. Business assets and liabilities do not include deferred income taxes.

(b) Business and Geographic Information

Business Information

The Group has the following five businesses:

1. UnitingCare Queensland – Group Office
2. Foundations
3. UnitingCare Health
4. Blue Care
5. UnitingCare Community

Geographic Information

The Group's businesses are located in Queensland and northern New South Wales, Australia.

30 Events After the End of the Reporting Period

On 7 February 2014 a new entity, Australian Regional and Remote Community Services Limited ("ARRCS"), was incorporated by the Uniting Church in Australia Queensland Synod with delegated ownership being assigned to UnitingCare Queensland ("UCQ"). Subsequent to year-end, on 1 July 2014, the aged care services formerly operated by the Uniting Church Assembly trading as Frontier Services has been transferred to ARRCS in respect of the services based in the Northern Territory. This transfer was performed by way on a transfer of an entity under common control. A letter of guarantee between UnitingCare Queensland and ARRCS has been established for the 2015 financial year to support the operations of ARRCS during this period.

Subsequent to year end the commercial building at 59 Capper Street, Gayndah, classified as held for sale at year end (refer note 10), has been sold.

31 Report Basis for Conditional Adjustment Payment

This General Purpose Financial Report is prepared on the basis to comply with requirements of the Department of Social Services financial reporting requirements for Conditional Adjustment Payment. This report is prepared on a service level basis and covers the following RACS ID numbers included under NAPS ID 314.

The Uniting Church in Australia - Queensland Synod
UnitingCare Queensland

Notes to the Financial Statements

For the Year Ended 30 June 2014

31 Report Basis for Conditional Adjustment Payment (continued)

Residential Service	RACS ID	Residential Service	RACS ID
Alkira Hostel	5150	Kenmore Aged Care	5893
Amaroo Nursing Home	2791	Kingscliffe Aged Care	2719
Avalon Hostel	5074	Kirrahaven Hostel	5151
Avalon Nursing Home	5986	Labrador Gardens Aged Care Facility	5007
Azure Blue Carina (Salvin Park HC)	5845	Mareeba Garden Settlement Hostel	5121
Azure Blue Redcliffe	5750	Masters Lodge Hostel	5244
Bayhaven Nursing Home	5436	Merriwee Court	5035
Beachwood Hostel	5185	Millbank Village	5159
Bethania Haven	5182	Nandeebie Centre of Care	5197
Bli Bli Aged Care	5178	Pilgrim Hostel	5233
Bluehaven Lodge	5176	Pineshaven Aged Care	5198
Brassall Village	5948	Pinewoods Hostel	5195
Caloundra West Terrace	5908	Pioneer Gardens Nursing Home	5932
Canowindra	5984	Pioneer Lodge Hostel	5158
Capricorn Gardens	5501	Riverlea	5865
Carramar Complex	5027	Rothwell Nazarene Aged Care	5922
Edenvale Aged Care	5516	Shalom Elders Village	5753
Erowal Residential Aged Care	5327	Star of the Sea Hostel	5372
Flinders View Nowlanvil	5456	Star of the Sea Nursing Home	5373
Garden Settlement Pallarenda Hostel	5042	Talleyhaven Aged Care	5303
Garden Settlement Pallarenda Nursing Home	5859	The Glebe Frail Aged Hostel	5032
Glenmead Village	5120	Toowoomba Garden Settlement	5817
Glenwood Hostel	5284	Winston House Hostel	5034
Gracemere Gardens Nursing Home	5435	Wirunya Hostel	5273
Grevillea Gardens Nursing Home	5472	Woodlands Lodge	5226
Hibiscus Gardens Hostel	5148	Wynnum	5851
Hollingsworth Elders Village	5754	Yarrabee Aged Care	5356
Homefield Aged Persons Home	5911	Yurana Hostel	5041
Homefield Hostel	5122		

The Uniting Church in Australia - Queensland Synod
UnitingCare Queensland

Declaration by the Board of UnitingCare Queensland

30 June 2014

The Board of UnitingCare Queensland declares that:

(a) the financial statements and notes set out on pages 1 to 52:

i. comply with the *Australian Charities and Not-for-profits Commission Act 2012* including compliance with Australian Accounting Standards and mandatory professional reporting requirements; and

ii. give a true and fair view of the financial position of UnitingCare Queensland as at 30 June 2014 and of its performance as represented by the results of its operations and its cash flows, for the financial year ended on that date; and

(b) there are reasonable grounds to believe that UnitingCare Queensland 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.

Dated this 21st day of October 2014

Craig Barke, Chair
UnitingCare Queensland Board

MBlake

Maree Blake, Chair
UnitingCare Queensland Audit, Risk and Compliance Committee

Deloitte.

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The Chairman
UnitingCare Queensland Board
Level 5, 193 North Quay
Brisbane
Qld 4000

21 October 2014

Dear Craig

The Uniting Church in Australia – Queensland Synod, UnitingCare Queensland

In accordance with Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the Board of The Uniting Church in Australia – Queensland Synod, UnitingCare Queensland.

As lead audit partner for the audit of the consolidated financial statements of The Uniting Church in Australia – Queensland Synod, UnitingCare Queensland for the financial year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

R G Saayman
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Touche Tohmatsu Limited

Deloitte.

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Independent Auditor's Report to the Board of UnitingCare Queensland acting through The Uniting Church in Australia – Queensland Synod, UnitingCare Queensland

We have audited the accompanying financial report of The Uniting Church in Australia – Queensland Synod, UnitingCare Queensland, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in funds for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the declaration by the Board of UnitingCare Queensland (the "Board") as set out on pages 1 to 53.

The Board's Responsibility for the Financial Report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012 (the "ACNC Act"), and for such internal control as the Board determines is necessary to enable the preparation of the financial report that that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require 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 judgement, 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 Board, as well as evaluating the overall presentation of the financial report.

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Member of Deloitte Touche Tohmatsu Limited

Deloitte.

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

Opinion

In our opinion the financial report of The Uniting Church in Australia – Queensland Synod, UnitingCare Queensland has been prepared in accordance with Division 60 the ACNC Act, including:

(i) giving a true and fair view of The Uniting Church in Australia – Queensland Synod, UnitingCare Queensland's financial position as at 30 June 2014 and of its financial performance and cash flows for the year then ended; and

(ii) complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

R G Saayman
Partner
Chartered Accountants
Brisbane, 21 October 2014