Financial Report 2004-2005

Jewish Care (Victoria) incorporated reg no. A00 407 05X and
controlled entities financial report for the year ended 30 June 2005

JewishCare

Contents

Cover photo: AtHome client Bronia Hahn (second from left) with (from left) friendly visitor Raph Ajzensztat, counsellor and case worker Haidee Nathanson and personal carer Rita Spivak.

Committee's Report

Your committee members submit the financial report of Jewish Care (Victoria) Incorporated and controlled entities for the financial year ended 30 June 2005.

Committee Members

The names of committee members throughout the financial year and at the date of this report are:

Mr Jacob Weinmann

Mr Alan Schwartz (Resigned 30/11/04)

Mrs Nina Bassat AM

Mr David Brous

Mrs Robyne Schwarz

Mr Farrel Meltzer

Prof Frank Oberklaid OAM

Mrs Louise Zygier

Mr Michael Schoenfeld

Mr David Werdiger

Mr Yehudi Blacher

Mrs Esther Frenkiel

Assoc Prof Leslie Reti (Appointed 30/11/04)

Mr Andrew Schwartz (Appointed 28/06/05)

Principal Activities

The principal activities of the association during the financial year were to promote and provide for the well being of Jewish people in need of care in the State of Victoria and attending to their physical, mental, emotional and spiritual needs.

Significant Changes

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

Operating Result

Jewish Care is a not for profit entity relying on community support for its works.

Surplus for the year of $2,519,107 is made up as follows:

Loss from ordinary activities of the group after related income tax		**($6,052,686)**
- Community Annual Appeal		$2,218,378
Loss after Annual Appeal		($3,834,308)
Non Recurrent Items:		
- Sale of Bed Licences	$640,200	
- Government Grants	$367,133	
- Capital Appeal	$300,672	
		1,308,005
Loss after Non Recurrent Items		(2,526,303)
Community Contribution:		
- Bequests		5,045,410
Surplus for the year after related income tax to be applied for the benefit of Jewish people in need of care in Victoria.		**2,519,107**

Net Assets

Movement in Net Assets is made up of:

Opening Balance	$49,179,378
Add: Surplus	$2,519,107
Less: Revaluation Decrement in Land and Buildings	($5,059,868)
Less: Transfer to Reserves	($3,501)
Closing Balance	($46,585,116)

After Balance Date Events

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

Signed in accordance with a resolution of the Members of the Committee:

Auditors Independence Declaration Under Section 307 Of The Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2005 there has been:

(i) no contraventions of the auditor's independence requirements as set out in the Corporations Act 2001 in relation to the audit: and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

BDO
Chartered Accountants

J F KNOTT
Partner

Mrs Robyne Schwarz

Mr Michael Schoenfeld

Dated this 14th day of September 2005

Statement of Financial Performance
for the Year Ended 30 June 2005

	Note	Economic Entity		Parent Entity	
		2005	**2004**	**2005**	**2004**
		$	**$**	**$**	**$**
Revenue from ordinary activities					
Accommodation charges		6,775,966	7,578,335	6,775,966	7,578,335
Government subsidies	2a	18,660,145	18,292,135	18,660,145	18,292,135
Proceeds from sale of non current assets		-	4,358,457	-	4,358,457
Proceeds from sale of bed licences		640,200	1,230,000	640,200	1,230,000
Other revenues from ordinary activities	2b	9,853,418	8,064,831	9,837,155	8,062,873
		35,929,729	39,523,758	35,913,466	39,521,800
Expense from ordinary activities excluding borrowing costs					
Employee benefits expenses		(21,567,521)	(20,692,155)	(21,567,521)	(20,692,155)
Depreciation and amortisation expenses	3	(1,371,724)	(1,529,431)	(1,371,724)	(1,529,431)
Community development expenses	3	(951,232)	(877,989)	(951,232)	(877,989)
External services		(945,339)	(710,810)	(945,339)	(710,810)
Food expenses		(3,548,997)	(3,590,518)	(3,548,997)	(3,590,518)
Repairs and maintenance		(1,132,487)	(1,000,783)	(1,132,487)	(1,000,783)
Cost of assets sold		-	(2,838,911)	-	(2,838,911)
Medical and other supplies		(541,680)	(574,218)	(541,680)	(574,218)
Consulting expenses		(684,857)	(626,999)	(684,857)	(626,999)
Energy expenses		(328,421)	(379,265)	(328,421)	(379,265)
Office administration expenses		(646,504)	(539,350)	(646,504)	(539,350)
Laundry expenses		(410,662)	(466,980)	(410,662)	(466,980)
Other expenses from ordinary activities	3	(1,281,198)	(1,090,954)	(1,271,128)	(1,088,996)
		(33,410,622)	(34,918,363)	(33,400,552)	(34,916,405)
Profit from ordinary activities before income tax expense (income tax revenue)		**2,519,107**	**4,605,395**	**2,512,914**	**4,605,395**
Income tax revenue (income tax expense) relating to ordinary activities	1 (l)	-	-	-	-
Profit from ordinary activities after related income tax expense (income tax revenue)	**3, 15**	**2,519,107**	**4,605,395**	**2,512,914**	**4,605,395**
Total revenues, expenses and valuation adjustments attributable to the association and recognised directly in equity	**9**	**(5,059,868)**	**-**	**(5,059,868)**	**-**
Total changes in equity other than those resulting from transactions with owners as owners		**(2,540,761)**	**4,605,395**	**(2,546,954)**	**4,605,395**

The accompanying notes form part of these financial statements.

Statement of Financial Position
as at 30 June 2005

	Note	Economic Entity		Parent Entity	
		2005	2004	2005	2004
		$	$	$	$
CURRENT ASSETS					
Cash assets	4	1,041,885	915,753	1,025,243	895,425
Receivables	5	905,428	1,142,447	905,428	859,458
Inventories	6	42,210	42,168	42,175	42,168
Other financial assets	8	22,619,182	20,020,692	22,619,032	19,787,349
Other	7	68,085	63,907	68,085	63,907
TOTAL CURRENT ASSETS		**24,676,790**	**22,184,967**	**24,659,963**	**21,648,307**
NON CURRENT ASSETS					
Receivables	5	-	-	50,608	224,429
Other financial assets	8	-	-	-	24
Property, plant and equipment	9	35,633,991	40,470,624	35,633,991	40,470,624
TOTAL NON CURRENT ASSETS		**35,633,991**	**40,470,624**	**35,684,599**	**40,695,077**
TOTAL ASSETS		**60,310,781**	**62,655,591**	**60,344,562**	**62,343,384**
CURRENT LIABILITIES					
Payables	10	2,850,977	3,309,733	2,850,477	3,313,009
Interest bearing liabilities	11	-	31,664	-	31,664
Provisions	12	3,219,967	3,379,042	3,219,967	3,379,042
Other	13	6,450,070	6,053,351	6,450,070	6,053,351
TOTAL CURRENT LIABILITIES		**12,521,014**	**12,773,790**	**12,520,514**	**12,777,066**
NON CURRENT LIABILITIES					
Provisions	12	1,204,651	702,423	1,204,651	702,423
Other	13	-	-	355,956	-
TOTAL NON CURRENT LIABILITIES		**1,204,651**	**702,423**	**1,560,607**	**702,423**
TOTAL LIABILITIES		**13,725,665**	**13,476,213**	**14,081,121**	**13,479,489**
NET ASSETS		46,585,116	49,179,378	46,263,441	48,863,895
EQUITY					
Reserves	14	18,362,825	23,476,194	18,314,000	23,427,368
Accumulated surplus	15	28,222,291	25,703,184	27,949,441	25,436,527
TOTAL EQUITY		6,585,116	49,179,378	46,263,441	48,863,895

The accompanying notes form part of these financial statements.

Statement of Cash Flows
for the Year Ended 30 June 2005

	Note	Economic Entity		Parent Entity	
		2005	2004	2005	2004
		$	$	$	$
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from residents, donors, government and others		34,535,766	33,470,651	34,404,292	33,443,731
Payments to suppliers and employees		(32,175,359)	(29,232,497)	(31,807,006)	(29,219,266)
Interest received		1,158,880	551,324	1,158,880	540,553
Net cash provided by/(used in) operating activities	18 (b)	3,519,287	4,789,478	3,756,166	4,765,018
CASH FLOW FROM INVESTING ACTIVITIES					
Redemption/(reinvestment) of term deposits		(2,995,209)	(8,265,505)	(3,228,402)	(8,217,550)
Loans repaid/(issued)		-	2,803	-	-
Sale of bed licences		640,200	1,230,000	640,200	1,230,000
Proceeds from sale of property, plant and equipment		-	4,358,457	-	4,358,457
Payment for property, plant and equipment		(1,594,959)	(322,679)	(1,594,959)	(322,679)
Net cash used in investing activities		(3,949,968)	(2,996,924)	(4,183,161)	(2,951,772)
CASH FLOW FROM FINANCING ACTIVITIES					
Repayment of borrowings		-	(119,004)	-	(119,004)
Proceeds/(pay out) of bequest held in trust		556,813	(751,332)	556,813	(751,332)
Net cash provided by/(used in) financing activities		556,813	(870,336)	556,813	(870,336)
Net increase/(decrease) in cash held		126,132	922,218	129,818	942,910
Cash at beginning of financial year		915,753	(6,465)	895,425	(47,485)
Cash at end of financial year	18 (a)	1,041,885	915,753	1,025,243	895,425

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
for the Year Ended 30 June 2005

Note 1: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act of Victoria 1981.

The financial report covers Jewish Care (Victoria) Incorporated as an individual entity and Jewish Care (Victoria) Incorporated and controlled entities as an economic entity. Jewish Care (Victoria) Incorporated is an association incorporated in Victoria under the Associations Incorporations Act 1981 and domiciled in Australia.

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

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report.

The accounting policies have been consistently applied, unless otherwise stated.

(a) Principles of Consolidations

A controlled entity is any entity controlled by Jewish Care (Victoria) Incorporated. Control exists where Jewish Care (Victoria) Incorporated has the capacity to dominate the decision making in relation to the financial and operating policies of another entity so that the other entity operates with Jewish Care (Victoria) Incorporated to achieve the objectives of Jewish Care (Victoria) Incorporated. Details of the controlled entities are contained in Note 20.

All inter company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

Where a controlled entity has entered or left the economic entity during the year its operating results have been included from the date control was obtained or until the date control ceased.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first in first out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

(c) Land and Buildings

Land and buildings forming part of the entity's future direction are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable and willing parties in an arm's length transaction. It is the policy of the economic entity to have an independent valuation performed every three years, with annual appraisals being made by the board of management.
In assessing the fair value of the crown grant land at 619 St Kilda Road Melbourne, the restrictions for use have been considered.

Any net revaluation increment arising is credited to the asset revaluation reserve, except where a net revaluation decrement has previously been recognised as an expense for that particular class of assets, in which case the net revaluation increment is recognised as revenue, but only to the extent of the previous revaluation decrement.

Any net revaluation decrement arising is recognised as an expense for the period, except where a credit balance exists in the asset revaluation reserve for that particular class of assets, in which case the net revaluation decrement is credited to the reserve, but only to the extent of the previous revaluation decrement.

Note 1: Statement of Significant Accounting Policies (Continued)

(d) Property, Plant and Equipment

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on a straight line basis over the useful lives of the assets to the economic entity commencing from the time the asset was held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of fixed asset	Depreciation rates	Depreciation basis
Buildings	4 %	Straight Line
Motor Vehicles	20 %	Straight Line
Furniture Fixtures and Fittings	10 %	Straight Line
Computer Equipment	33.3 %	Straight Line

The carrying amount is reviewed by the directors to ensure that it is not excess of the recoverable amount from these assets. The recoverable amount is assessed at on the basis of the expected cash flows which will be received from the assets employed and subsequent disposal.

(e) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the economic entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

(f) Investments

Investments in term deposits are measured on the cost basis.

(g) Employee Benefits

Provision is made for the economic entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the economic entity to the Hesta and HealthSuper Superannuation Funds in accordance with the Superannuation Guarantee Act 1992 and the contributions are charged as expenses when incurred.

(h) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.

(i) Revenue

Government grant revenue is recognised when the economic entity gains control of the funds.

Revenue from the rendering of a service is recognised upon the delivery of the service to the residents.

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

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

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

(k) Comparative Figures

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

(l) Income taxes

Jewish Care (Victoria) Incorporated is a recognised resident Public Benevolent Institution and the controlled entities are exempt charitable trusts under the provisions of the Income Tax Assessment Act (as amended) and as such are not subject to income taxes at this time. Accordingly, no income tax has been provided for the economic entity in these financial statements.

(m) Accommodation bonds

Accommodation bonds received from incoming residents are held in trust for each individual resident and are recognised as a liability. Monthly retention fees are deducted from each bond account according to the statutory requirements and are recognised as revenue. Interest earned on all monies is recognised as revenue.

(n) Bequests and donations

Bequests received that have specific purpose requirements in respect of how the funds are to be used are recognised as liabilities upon initial receipt. The funding is recognised as revenue in subsequent periods as it is consumed under the terms of the agreement.

Bequests and donations received that do not have stringent and legally enforceable spending requirements are recognised as revenue when received.

(o) Adoption of Australian Equivalents to International Financial Reporting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing on or after 1 January 2005. Therefore, for the economic entity, the year of first adoption will be the year ending 30 June 2006. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

The economic entity has established a committee which has overseen the substantial completion of the transition to and implementation of Australian equivalents to IFRSs.

The key differences that could potentially impact the accounting policies of the economic entity are noted below.

Business Combinations

A business combination is the bringing together of separate entities or businesses into one reporting entity. Jewish Care has evolved after many years of combinations of entities which promoted and provided for the well-being of Jewish people in need of care in the State of Victoria by attending to their physical, mental, emotional and spiritual needs.

AASB1 provides an exemption of business combinations. That is, an entity may elect not to apply AASB3 Business Combinations retrospectively to past business combinations. The Board of Jewish Care has elected in writing to not apply AASB3 to past business combinations.

- **Impairment of assets**

The economic entity currently determines the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the asset's use and subsequent disposal. In terms of AASB136: Impairment of Assets, the recoverable amount of an asset will be determined as the higher of the fair value less costs to sell and value in use.

It is possible that this change in accounting policy may lead to impairments being recognised more often than under the existing policy.

The directors do not expect any material impairment adjustments on transition to IFRS.

- **Government grants**

AASB1004 Revenue established control as part of the criteria of recognising revenue which has meant that government grants are generally recognised on receipt. AASB 120 Accounting for Government Grants and Disclosure of Government Assistance, on the other hand, requires revenue to be matched with expenses in for profit entities. The International Accounting Standards Board (IASB) has acknowledged that this treatment is not ideal and intends to amend the standard at some point in the future. The AASB in AASB 120 has elected to require not-for-profit entities to continue to recognise government grants in accordance with a criterion that will reflect the requirements of AASB 1004.

Accordingly, it is likely that there will be no change to the current accounting policy.

Note 1: Statement of Significant Accounting Policies (Continued)

- **Property, plant and equipment**

IFRS allows entities a choice of measuring certain non-current assets at either cost or fair value.

Movements in fair value between periods are taken to an Asset Revaluation Reserve unless the reserve balance is reduced to nil or the movement reverses a previous profit/loss charge. As Jewish Care is a not-for-profit entity, increments and decrements on individual land and buildings may be offset on a class of assets basis.

Under existing Australian Accounting Standards, Jewish Care has measured land and buildings principally on a fair value basis.The directors consider that values as at transition date are appropriate in drawing up the opening transitional balance sheet, and accordingly, no transitional adjustments are deemed necessary. Other items of plant and equipment, including fixtures and fittings etc, have been measured at historical cost under current Australian Accounting Standards, and will continue to under IFRS.

Jewish Care's land and building portfolio has been subject to independent valuation at 30 June 2005 as set out in note 9. The directors consider that the results of the valuation also satisfy IFRS fair value measurement requirements, meaning that no material IFRS adjustments are expected for the purposes of drawing up comparative information to the 30 June 2006 financial report.

In arriving at the fair value of land and buildings at 30 June 2005, the directors have had regard to the existence of any significant crown restrictions that impact the "highest and best use" of the respective property. In particular, the fair value estimate for the crown grant portion of 619 St Kilda Road has taken into account with known existing restrictions that would reduce the value of Jewish Care's interest in the land should freehold or other options be pursued on the site going forward.

Accordingly, the fair value estimate for the crown grant of $5m has been arrived at, which is less than an unencumbered "highest and best use" basis. Should commercial negotiations be entered into with the Crown in the future, Jewish Care will seek to maximise its realised value in the grant based on conditions existing at that time.

- **Classification of certain non-current assets as non-current assets held for sale**

There is currently an IFRS requirement which will require entities to classify a non-current asset as held for sale if its carrying amount will principally be recovered through a sale transaction rather than through continuing use.The asset would need to be carried at the lower of carrying amount and fair value less costs to sell and the asset is not to be depreciated.

The directors are of the opinion that there are no properties held for sale at transition.

- **Accommodation bonds**

Accommodation bonds received from incoming residents are held in trust for each individual resident and are recognised as a liability. Monthly retention fees are deducted from each bond account according to the statutory requirements and are recognised as revenue. Interest earned on all monies is recognised as revenue.

AASB139 requires the recognition and measurement of financial instruments as defined in AASB132 which includes a contractual obligation to deliver cash or another financial asset to another entity. The directors are of the opinion that the obligations to repay is short-term and that any obligation extending beyond one year cannot be reliably estimated.

Note 2: Revenue

	Note	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
2a) Government subsidies					
- operating subsidies		18,293,012	16,922,585	18,293,012	16,922,585
- capital contributions		367,133	1,369,550	367,133	1,369,550
		18,660,145	18,292,135	18,660,145	18,292,135
2b) Other revenue					
- donations		1,034,946	886,747	1,034,946	868,555
- bequests		5,045,410	4,151,721	5,029,155	4,151,721
- appeals		2,218,378	1,863,911	2,218,378	1,863,911
- interest		1,158,888	551,324	1,158,880	540,553
- capital appeal		300,672	500,000	300,672	500,000
- other income		95,124	111,128	95,124	138,133
		9,853,418	8,064,831	9,837,155	8,062,873

Note 3: Profit from Ordinary Activities

Profit (losses) from ordinary activities before income tax expenses (income tax revenue) has been determined after:

(a) Expenses:

	Note	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
Depreciation of non-current assets					
- Buildings		777,400	798,423	777,400	798,423
- Motor vehicles		52,695	68,760	52,695	68,760
- Furniture, fixtures and fittings		541,629	417,425	541,629	417,425
Total depreciation	9 (a)	1,371,724	1,284,610	1,371,724	1,284,610
Amortisation of non-current assets:					
- capitalised leased assets		-	16,040	-	16,040
- capitalised IT project		-	228,783	-	228,783
Total amortisation		-	244,821	-	244,821
Total depreciation and amortisation		1,371,724	1,529,431	1,371,724	1,529,431
Remuneration of the auditors for:					
- audit or review services		50,000	37,150	50,000	37,150
- other services		5,825	9,200	5,825	9,200
		55,825	46,350	55,825	46,350
Computer Rental Costs		71,984	39,884	71,984	39,884

	Note	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
Note 3: Profit from Ordinary Activities (Continued)					
Community development expenses					
- fundraising		542,867	501,068	542,867	501,068
- organisational development and marketing		408,365	376,921	408,365	376,921
		951,232	877,989	951,232	877,989
Other expenses					
- emergency services		158,154	114,472	158,154	114,472
- security services		208,795	185,747	208,795	185,747
- travel and motor expenses		89,573	117,234	89,573	117,234
- rates and insurance		280,504	262,812	280,504	262,812
- rental expenses		121,217	14,985	121,217	14,985
- residents costs		167,239	161,469	167,239	161,469
- other expenses		113,614	116,006	103,547	114,048
- volunteers		142,102	118,229	142,102	118,229
		1,281,198	1,090,954	1,271,128	1,088,996
(b) Revenue and Net Gains					
Net gain on disposal of non-current assets					
- property, plant and equipment		-	1,519,546	-	1,519,546
(c) Significant Revenues and Expenses:					
- sale of bed licences		640,200	1,230,000	640,200	1,230,000
- government subsidies - capital contributions		367,133	1,369,550	367,133	1,369,550
Total		1,007,333	2,599,550	1,007,333	2,599,550

Note 4: Cash Assets

	Note	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
Cash on hand	18	25,162	7,600	8,520	7,600
Cash at bank	18	1,016,723	908,153	1,016,723	887,825
		1,041,885	915,753	1,025,243	895,425

	Note	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $

Note 5: Receivables

	Note	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
CURRENT					
Accommodation debtors		307,320	607,499	307,320	607,465
Less provision for doubtful debts		(107,415)	(90,416)	(107,415)	(90,416)
		199,905	517,083	199,905	517,049
Secured loan debtors		316,323	283,352	316,323	-
Less provision for doubtful debts		(397)	(397)	(397)	-
		315,926	282,955	315,926	-
Other debtors		389,597	342,409	389,597	342,409
		905,428	1,142,447	905,428	859,458
NON-CURRENT					
Amounts receivable from:					
- controlled entities		-	-	50,608	224,429

Note 6: Inventories

	Note	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
CURRENT					
Inventories - general		42,210	42,168	42,175	42,168

Note 7: Other Assets

	Note	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
CURRENT					
Prepayments		68,085	63,907	68,085	63,907

Note 8: Other Financial Assets

	Note	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
CURRENT					
Other current investments		14,463,462	12,339,562	14,463,312	12,106,219
Accommodation bonds		6,450,070	6,053,351	6,450,070	6,053,351
Residents' funds held in trust		151,831	133,419	151,831	133,419
Government funding		1,429,009	1,369,550	1,429,009	1,369,550
Encumbered bequests held in trust		124,810	124,810	124,810	124,810
		22,619,182	20,020,692	22,619,032	19,787,349
NON-CURRENT					
Shares in controlled entities					
- at cost		-	-	-	24

Note 9: Property, Plant and Equipment

	Note	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
LAND AND BUILDINGS					
At cost		-	11,600,000	-	11,600,000
Less accumulated depreciation		-	(1,293,397)	-	(1,293,397)
		-	10,306,603	-	10,306,603
At independent valuation – 2003		-	28,614,999	-	28,614,999
At independent valuation – 2005 (1)		34,419,482	-	34,419,482	-
Total land and buildings		34,419,482	38,921,602	34,419,482	38,921,602
FIXED ASSETS					
Motor vehicles					
At cost		345,309	307,261	345,309	307,261
Less accumulated depreciation		(303,987)	(235,134)	(303,987)	(235,134)
		41,322	72,127	41,322	72,127
Under lease		-	38,048	-	38,048
Less accumulated depreciation		-	(16,158)	-	(16,158)
		-	21,890	-	21,890
		41,322	94,017	41,322	94,017
Computer equipment					
At cost		89,564	30,876	89,564	30,876
At independent valuation (2)		324,089	324,089	324,089	324,089
Less accumulated depreciation		(333,670)	(228,783)	(333,670)	(228,783)
		79,983	126,182	79,983	126,182
Furniture, fixtures and fittings					
At cost		549,165	352,178	549,165	352,178
At independent valuation (2)		1,394,071	1,394,071	1,394,071	1,394,071
Less accumulated depreciation		(850,032)	(417,426)	(850,032)	(417,426)
		1,093,204	1,328,823	1,093,204	1,328,823
Total fixed assets		1,214,509	1,549,022	1,214,509	1,549,022
Total property, plant and equipment		35,633,991	40,470,624	35,633,991	40,470,624

(1) Land and buildings were valued as at 30 June 2005 by an independent valuer, Charter Keck Cramer at $34.4 million using the fair value basis.

(2) Based on valuation furniture, fixtures, fittings and computer equipment were revalued as at 30 June 2003 by independent valuer Finn Sivewright of Rushton using the fair value basis.

	Note	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the year.

	Land and Buildings Economic Entity $	Land and Buildings Parent Entity $	Motor Vehicles Economic Entity $	Motor Vehicles Parent Entity $
2005				
Balance at the beginning of the year	38,921,602	38,921,602	94,017	94,017
Additions	1,335,148	1,335,148	-	-
Depreciation expense	(777,400)	(777,400)	(52,695)	(52,695)
Revaluation decrement on freehold land and buildings (1)	(5,059,868)	(5,059,868)	-	-
Carrying amount at the end of the year	34,419,482	34,419,482	41,322	41,322

	Furniture, fixtures & fittings Economic Entity $	Furniture, fixtures & fittings Parent Entity $	Computer Equipment Economic Entity $	Computer Equipment Parent Entity $
2005				
Balance at the beginning of the year	1,328,823	1,328,823	126,182	126,182
Additions	201,123	201,123	58,688	58,688
Depreciation expense	(436,742)	(436,742)	(104,887)	(104,887)
Carrying amount at the end of the year	1,093,204	1,093,204	79,983	79,983

	Total Economic Entity $	Total Parent Entity $
2005		
Balance at the beginning of the year	40,470,624	40,470,624
Additions	1,594,959	1,594,959
Depreciation expense (Note 3 (a)	(1,371,724)	(1,371,724)
Revaluation decrement on freehold land and buildings (Note 14 (a)	(5,059,868)	(5,059,868)
Carrying amount at the end of the year	35,633,991	35,633,991

(1) The revaluation is in accordance with the current accounting policies. The directors consider that the results of the valuation also satisfy IFRS fair value measurement requirements, meaning that no material IFRS adjustments are expected for the purposes of drawing up comparative information to the 30 June 2006 financial report.

	Note	Economic Entity		Parent Entity	
		2005	2004	2005	2004
		$	$	$	$

Note 10: Payables

CURRENT					
Unsecured liabilities					
Trade creditors		2,140,256	1,851,822	2,140,256	1,851,822
Sundry creditors and accruals		558,890	1,324,492	558,390	1,327,768
Resident funds	(a)	151,831	133,419	151,831	133,419
		2,850,977	3,309,733	2,850,477	3,313,009

(a) Resident funds held by Jewish Care (Victoria) Incorporated accounted for by the individual resident and are payable at call to the resident.

Note 11: Interest Bearing Liabilities

CURRENT					
Secured liabilities					
Finance lease liability	16	-	31,664	-	31,664
		-	31,664	-	31,664

Note 12: Provisions

CURRENT					
Employee benefits	12(a)	3,219,967	3,379,042	3,219,967	3,379,042
NON-CURRENT					
Employee benefits	12(a)	1,204,651	702,423	1,204,651	702,423
(a) Aggregate employee benefit liability		4,424,618	4,081,465	4,424,618	4,081,465
(b) Number of employees at year end		527	547	527	547

	Note	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $

Note 13: Other Liabilities

	Note	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
CURRENT					
Deposits held in trust		6,450,070	6,053,351	6,450,070	6,053,351
NON-CURRENT					
Amount payable to controlled entities	(a)	-	-	355,956	-

Note 14: Reserves

	Note	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
Asset revaluation reserve	(a)	13,918,482	18,978,350	13,918,482	18,978,350
General reserve	(b)	3,074,793	3,128,294	3,025,968	3,079,468
Other reserves	(c)	1,369,550	1,369,550	1,369,550	1,369,550
		18,362,825	23,476,194	18,314,000	23,427,368
(a) Asset Revaluation Reserve					
Movements during the financial year:					
Opening balance		18,978,350	18,978,350	18,978,350	18,978,350
Revaluation decrement on freehold land and buildings (1)	9(a)	(5,059,868)	-	(5,059,868)	-
Closing balance		13,918,482	18,978,350	13,918,482	18,978,350
The asset revaluation reserve records revaluations of non-current assets.					
(b) General reserve					
Movements during the financial year:					
Opening balance		3,128,294	3,071,794	3,079,468	3,022,968
Transfer (to)/from reserves		(53,500)	56,500	(53,500)	56,500
Closing balance		3,074,794	3,128,294	3,025,968	3,079,468
The general reserve is used to record amounts set aside to fund the future expansion of the association.					
(c) Other reserve					
Movements during the financial year:					
Opening balance		1,369,550	-	1,369,550	-
Government contributions received		-	1,369,550	-	1,369,550
Closing balance		1,369,550	1,369,550	1,369,550	1,369,550
The other reserve is used to record unspent government contributions related to fire safety and prevention.					

(1) The revaluation is in accordance with the current accounting policies. The directors consider that the results of the valuation also satisfy IFRS fair value measurement requirements, meaning that no material IFRS adjustments are expected for the purposes of drawing up comparative information to the 30 June 2006 financial report.

	Note	Economic Entity		Parent Entity	
		2005	2004	2005	2004
		$	$	$	$
Note 15: Accumulated Surplus					
Accumulated surplus at the beginning of the financial year		25,703,184	22,523,839	25,436,527	22,257,182
Net profit (loss) attributable to members of the entity		2,519,107	4,605,395	2,512,914	4,605,395
Transfers to and from reserves		-	(1,426,050)	-	(1,426,050)
Accumulated surplus at the end of the financial year		28,222,291	25,703,184	27,949,441	25,436,527
Note 16: Capital and Leasing Commitments					
(a) Finance leasing commitments					
Payable					
- not later than one year		-	34,031	-	34,031
- later than one year and not later than five years		-	-	-	-
Minimum lease payments		-	34,031	-	34,031
Less future finance charges		-	(2,367)	-	(2,367)
Total finance lease liability		-	31,664	-	31,664
Represented by:					
Current liability	11	-	31,664	-	31,664
		-	31,664	-	31,664
(b) Capital expenditure commitments contracted for:					
- Construction at Caulfield site		4,408,365	-	4,408,365	-
- Demolition of buildings		-	318,865	-	318,865
		4,007,000	318,865	4,007,000	318,865

Commitments - Montefiore Homes for the Aged Foundation Inc (The Foundation)

The merger of the former Montefiore Homes for the Aged Inc. and Jewish Community Services Inc. to create Jewish Care (Victoria) Inc (JCV) led to the winding up of the former Foundation. It was recognised prior to the winding up that some donations were made to the Foundation for certain specific purposes and although it was not a requirement of the winding up of the Foundation that the monies be used for the specific purpose, the Foundation and JCV agreed that it would be appropriate to fulfill in spirit the conditions attached to the specific purpose donations by obliging JCV to dedicate funds to the specific purposes on an ongoing basis. Therefore, certain funds included in investments can only be used for specific purposes. The conditions for the specific purpose donations have been met by JCV for the year ended 30 June 2005.

Note 17: Related Party Transactions

(a) All members of the Board of Management held office during the period in an honorary capacity. The names of committee members throughout the financial year and at the date of this report are:

Mr Jacob Weinmann
Mr Alan Schwartz (Resigned 30/11/04)
Mrs Nina Bassat AM
Mr David Brous
Mrs Robyne Schwarz
Mr Farrel Meltzer
Prof Frank Oberklaid OAM
Mrs Louise Zygier
Mr Michael Schoenfeld
Mr David Werdiger
Mr Yehudi Blacher
Mrs Esther Frenkiel
Assoc Prof Leslie Reti (Appointed 30/11/04)
Mr Andrew Schwartz (Appointed 28/06/05)

	Note	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
(b) Amounts receivable from controlled entities:					
Jewish Aid Society Incorporated		-	-	50,608	34,348
Jewish Mutual Loan Company Pty Ltd		-	-	-	190,081
		-	-	50,608	224,429
(c) Amounts payable to controlled entities:					
Jewish Aid Society Incorporated		-	-	355,956	-

Note 18: Cash Flow Information

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:

	Note	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
Cash on hand	4	25,162	7,600	8,520	7,600
Cash at bank	4	1,016,723	908,153	1,016,723	887,825
		1,041,885	915,753	1,025,243	895,425
(b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax					
Surplus from ordinary activities after income tax		2,519,107	4,605,395	2,512,914	4,605,395
Non-cash flows in profit from ordinary activities:					
Depreciation		1,371,724	1,529,431	1,371,724	1,529,431
Net (gain) / loss on disposal of property, plant and equipment		-	(1,519,546)	-	(1,519,546)
Net gain on sale of bed licences		(640,200)	(1,230,000)	(640,200)	(1,230,000)
Changes in assets and liabilities:					
(Increase)/decrease in receivables		237,019	117,150	127,851	88,414
(Increase)/decrease in other assets		(4,178)	30,362	(4,178)	30,362
(Increase)/decrease in inventories		(42)	(1,665)	(7)	(1,665)
Increase/(decrease) in payables		(307,296)	846,243	44,909	850,519
Increase/(decrease) in provisions		343,153	412,108	343,153	412,108
Cash flows from operations		3,519,287	4,789,478	3,756,166	4,765,018

Note 19: Financial Instruments

(a) Interest Rate Risk
The economic entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Fixed Interest Rate Maturing Within 1 Year	
	2005	2004	2005	2004
	%	%	$	$
Financial Assets:				
Cash	2.90	2.70	-	-
Receivables	-	-	-	-
Investments	5.50	5.30	22,619,182	20,020,692
Total Financial Assets			22,619,182	20,020,692
Financial Liabilities:				
Bank loans and overdrafts	-	-	-	-
Trade and sundry creditors	-	-	-	-
Lease liabilities	-	10.75	-	31,664
Bequests held in trust	-	-	-	-
Deposits held in trust	-	-	-	-
Total Financial Liabilities			31,664	31,664

Fixed Interest Rate Maturing 1 to 5 Years 2005 $	2004 $	Floating Interest Rate 2005 $	2004 $	Non Interest Bearing 2005 $	2004 $	Total 2005 $	2004 $
-	-	1,016,723	908,153	25,162	7,600	1,041,885	915,753
-	-	-	-	905,428	1,142,447	905,428	1,142,447
-	-	-	-	-	-	22,619,182	20,020,692
-	-	1,016,723	908,153	930,590	1,150,047	24,566,495	22,078,89
-	-	-	-	-	-	-	-
-	-	-	-	2,850,977	3,309,733	2,850,977	3,309,733
-	-	-	-	-	-	-	31,664
-	-	-	-	-	-	-	-
-	-	-	-	6,450,070	6,053,351	6,450,070	6,053,351
-	-	-	-	9,301,047	9,363,084	9,301,047	9,394,748

Note 19: Financial Instruments (continued)

(b) Credit Risk
The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

The economic entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the economic entity.

(c) Net Fair Values
For all listed assets and liabilities the net fair value approximates their carrying value.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial report.

Note 20: Controlled Entities

Subsidiary: Jewish Aid Society Incorporated

Country of incorporation: Australia

Percentage owned: 2005 - 100% (2004 - 100%)

The net assets of Jewish Mutual Loan Company Pty Ltd were merged with those of Jewish Care (Victoria) Inc. during the year.

Note 21: Segment Reporting

Jewish Care (Victoria) Inc. operates predominantly in one industry segment, that is charitable institution for the care of members of the Jewish community. All activities are conducted in Australia.

Note 22: Association Details

The principal place of business of the association is:

Jewish Care (Victoria) Inc.
619 St Kilda Road
MELBOURNE 3004

Statement by Members of the Committee

In the opinion of the committee the financial report as set out on pages 1 to 22:

1 Presents a true and fair view of the financial position of Jewish Care (Victoria) Incorporated as at 30 June 2005 and its performance for the financial year ended on that date in accordance with the Australian Accounting Standards and other mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

2 At the date of this statement, there are reasonable grounds to believe that Jewish Care (Victoria) Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the Committee by:

Mrs Robyne Schwarz

Mr Michael Schoenfeld

Dated this 14th day of September 2005

BDO
Chartered Accountants

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JEWISH CARE (VICTORIA) INCORPORATED

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF JEWISH CARE (VICTORIA) INCORPORATED

Scope

We have audited the financial report of Jewish Care (Victoria) Incorporated for the year ended 30 June 2005 as set out on pages 3 to 23 in the financial report. The Committee is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with our understanding of the association's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion, the financial report of Jewish Care (Victoria) Incorporated presents a true and fair view in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia the financial position of Jewish Care (Victoria) Incorporated as at 30 June 2005, and the results of its operations and its cash flows for the year then ended.

BDO

BDO
Chartered Accountants

J F Knott
Partner

16 September, 2005

Notes

Locations

Jewish Care Head Office
The Gary Smorgon Centre including:
Administration
Community Services
Residential Services
619 St Kilda Road Melb VIC 3004
Ph: 8517 5999 Fax: 8517 5778
www.jewishcare.org.au
ABN 78 345 431 247
ARN A0040705X

Montefiore Homes Community Residence and Smorgon Family Nursing Home
619 St Kilda Road
Melb VIC 3004

Alan Rabinov Day Centre
14 Eastbourne Street
Prahran VIC 3181

Goldin Day Centre
58 Northcote Avenue
Caulfield VIC 3162

Mark and Dina Munzer Nursing Home
52 Northcote Avenue
Caulfield VIC 3162

Melbourne Hebrew Memorial Nursing Home, Fink Family Wing
95 High Street Road
Ashwood VIC 3147

Independent Living Units
Elwood VIC 3184
St Kilda VIC 3182

Glen Eira House
Caulfield VIC 3162
Hawthorn Rd
Caulfield VIC 3162

Latrobe Street
Caulfield VIC 3162
Jacobs House
Carnegie VIC 3163

Fink (Respite) House
Caulfield VIC 3162

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