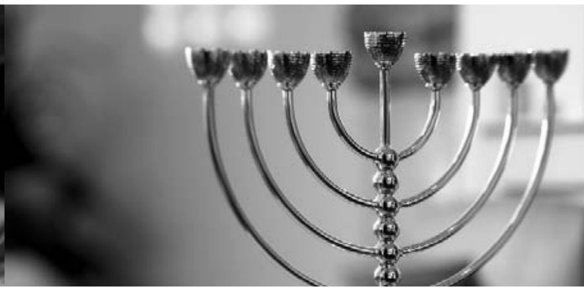
Making a difference...

jewish care financial report 2006

Jewish Care (Victoria) incorporated reg no. A00 407 05X and controlled entities financial report for the year ended 30 June 2006


JewishCare

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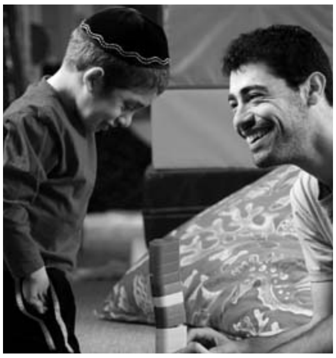

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Jewish Care (Victoria) Incorporated is an association incorporated in Victoria under the Associations Incorporations Act 1981 and domiciled in Australia.

Jewish Care is a recognised resident Public Benevolent Institution and the controlled entities are exempt charitable trusts under the provisions of the Income Tax Assessment Act and as such are not subject to income taxes at this time.

Cover photo: Alysa Dvash with Jewish Care disability support worker Noa Weinstein

Committee's Report

Your committee members submit the financial report of the Jewish Care (Victoria) Incorporated and controlled entities for the financial year ended 30 June 2006.

Committee Members

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

Mr Jacob Weinmann (Resigned 29/11/05)

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 (Resigned 09/07/05)

Mrs Esther Frenkiel

Assoc Prof Leslie Reti

Mr Andrew Schwartz

Mr A Blode (Appointed 29/11/05)

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

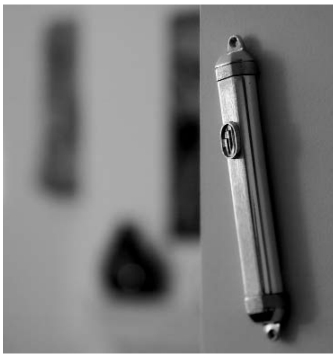
No significant change in the nature of these activities occurred during the year.

Operating Result

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

Profit for the year of $2,748,202 is made up as follows:

	$	$
Loss from ordinary activities of the group after related income tax		**(7,074,348)**
- Community Annual Appeal and donations net of cost		2,328,472
Loss after Annual Appeal and donations net of cost		(4,745,876)
Non Recurrent Items:		
- Government Grants	339,647	
- Capital Appeal	820,000	
- Profit on sale of Property, Plant and Equipment	3,865,143	
		5,024,790
Profit after Non Recurrent Items		278,914
Community Contributions:		
- Bequests		2,469,288
Profit from ordinary operating recurrent activities		**2,748,202**



Net Assets

Movement in Net Assets is made up of:

	$
Opening Balance	46,585,117
Add: Profit after tax	2,748,202
Add: Revaluation Increment in Land and Building	680,360
Closing Balance	50,013,679

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:

Auditor’s Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2006 there have been:

(i) no contraventions of the auditor’s independence requirements in relation to the audit: and

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

DTT VICTORIA

Chartered Accountants

J F KNOTT

Partner

Mrs Robyne Schwarz

Mr Michael Schoenfeld

Dated this 29th day of August 2006

Income Statement
for the Year Ended 30 June 2006

	Note	Economic Entity 2006 $	Economic Entity 2005 $	Parent Entity 2006 $	Parent Entity 2005 $
Revenue from ordinary activities					
Accommodation charges		6,222,577	6,775,966	6,222,577	6,775,966
Government subsidies	3a	18,692,923	18,660,145	18,692,923	18,660,145
Profit on sale of property, plant and equipment		3,865,143	-	3,865,143	-
Proceeds from sale of bed licences		-	640,200	-	640,200
Other revenues from ordinary activities	3b	7,629,000	9,853,418	7,615,531	9,837,155
		36,409,643	35,929,729	36,396,174	35,913,466
Expenses from ordinary activities excluding borrowing costs					
Employee benefits expenses		(22,637,564)	(21,717,785)	(22,637,564)	(21,717,785)
Depreciation and amortisation expenses	4	(658,848)	(1,371,724)	(658,848)	(1,371,724)
Community development expenses	4	(795,013)	(800,968)	(795,013)	(800,968)
External services		(553,461)	(633,269)	(553,461)	(633,269)
Food expenses		(3,690,333)	(3,548,997)	(3,690,333)	(3,548,997)
Repairs and maintenance		(1,011,900)	(1,132,487)	(1,011,900)	(1,132,487)
Medical and other supplies		(590,538)	(541,680)	(590,538)	(541,680)
Consulting expenses		(713,638)	(684,857)	(713,638)	(684,857)
Energy expenses		(345,597)	(328,421)	(345,597)	(328,421)
Office administration expenses		(983,529)	(1,125,813)	(983,529)	(1,125,813)
Laundry expenses		(407,758)	(410,662)	(407,758)	(410,662)
Other expenses from ordinary activities	4	(1,273,262)	(1,113,959)	(1,259,793)	(1,103,889)
		(33,661,441)	(33,410,622)	(33,647,972)	(33,400,552)
Profit before income tax expense		**2,748,202**	**2,519,107**	**2,748,202**	**2,512,914**
Income tax expense	1 (p)	-	-	-	-
Profit attributable to the association	**4**	**2,748,202**	**2,519,107**	**2,748,202**	**2,512,914**

The accompanying notes form part of these financial statements.

Balance Sheet
as at 30 June 2006

	Note		Economic Entity		Parent Entity
		2006	2005	2006	2005
		$	$	$	$
CURRENT ASSETS					
Cash and cash equivalents	5	6,858,631	1,041,885	6,828,418	1,025,243
Trade and other receivables	6	7,957,147	905,428	7,957,147	905,428
Inventories	7	54,032	42,210	53,998	42,175
Financial assets	9	13,177,055	22,619,182	13,177,055	22,619,032
Other assets	8	645,906	68,085	645,906	68,085
TOTAL CURRENT ASSETS		**28,692,771**	**24,676,790**	**28,662,524**	**24,659,963**
NON-CURRENT ASSETS					
Other receivables	6	-	-	64,027	50,608
Property, plant and equipment	10	37,338,847	35,633,991	37,338,847	35,633,991
TOTAL NON-CURRENT ASSETS		**37,338,847**	**35,633,991**	**37,402,874**	**35,684,599**
TOTAL ASSETS		**66,031,618**	**60,310,781**	**66,065,398**	**60,344,562**
CURRENT LIABILITIES					
Trade and other payables	11	2,639,588	2,850,977	2,639,088	2,850,477
Provisions	12	4,329,032	3,219,967	4,329,032	3,219,967
Other liabilities	13	8,485,600	6,450,070	8,841,556	6,450,070
TOTAL CURRENT LIABILITIES		**15,454,220**	**12,521,014**	**15,809,676**	**12,520,514**
NON-CURRENT LIABILITIES					
Provisions	12	563,719	1,204,651	563,719	1,204,651
Other	13	-	-	-	355,956
TOTAL NON-CURRENT LIABILITIES		**563,719**	**1,204,651**	**563,719**	**1,560,607**
TOTAL LIABILITIES		**16,017,939**	**13,725,665**	**16,373,395**	**14,081,121**
NET ASSETS		**50,013,679**	**46,585,116**	**49,692,003**	**46,263,441**
EQUITY					
Reserves		18,746,015	18,362,825	18,697,189	18,314,000
Accumulated surplus		31,267,664	28,222,291	30,994,814	27,949,441
TOTAL EQUITY		**50,013,679**	**46,585,116**	**49,692,003**	**46,263,441**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the Year Ended 30 June 2006

	Note	Asset Revaluation Reserve $	General Reserves $	Other Reserves $	Accumulated Surplus $	Total $
Economic Entity						
Balance at 1 July 2004		18,978,350	3,128,294	1,369,550	25,703,184	49,179,378
Profit attributable to members		-	-	-	2,519,107	2,519,107
Revaluation decrement		(5,059,868)	-	-	-	(5,059,868)
Transfers to/from Reserves		-	(53,500)	-	-	(53,500)
Balance at 30 June 2005		13,918,482	3,074,794	1,369,550	28,222,291	46,585,117
Profit attributable to members		-	-	-	2,748,202	2,748,202
Revaluation increment	10 (a)	680,360	-	-	-	680,360
Transfer to/(from) asset revaluation reserve - realised increment on properties sold during the year		(297,171)	-	-	297,171	-
Balance at 30 June 2006		14,301,671	3,074,794	1,369,550	31,267,664	50,013,679
Parent Entity						
Balance at 1 July 2004		18,978,350	3,079,468	1,369,550	25,436,527	48,863,895
Profit attributable to members		-	-	-	2,512,914	2,512,914
Revaluation decrement		(5,059,868)	-	-	-	(5,059,868)
Transfers to/from Reserves		-	(53,500)	-	-	(53,500)
Balance at 30 June 2005		13,918,482	3,025,968	1,369,550	27,949,441	46,263,441
Profit attributable to members		-	-	-	2,748,202	2,748,202
Revaluation increment	10 (a)	680,360	-	-	-	680,360
Transfer from asset revaluation reserve realised increment on properties sold during the year		(297,171)	-	-	297,171	-
Balance at 30 June 2006		14,301,671	3,025,968	1,369,550	30,994,814	49,692,003
Refer to notes to the accounts for purpose of each Reserve.		14(a)	14(b)	14(c)		

The accompanying notes form part of these financial statements.

Cash Flow Statement

for the Year Ended 30 June 2006

	Note	Economic Entity 2006 $	Economic Entity 2005 $	Parent Entity 2006 $	Parent Entity 2005 $
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from residents, donors, government and others		31,639,330	34,535,766	31,612,290	34,404,292
Payments to suppliers and employees		(33,374,143)	(32,175,359)	(33,360,674)	(31,807,006)
Interest received		1,136,846	1,158,880	1,136,846	1,158,880
Net cash (used in)/provided by operating activities	17 (b)	(597,967)	3,519,287	(611,538)	3,756,166
CASH FLOW FROM INVESTING ACTIVITIES					
Redemption/(reinvestment) of term deposits		9,441,976	(2,995,209)	9,441,976	(3,228,402)
Sale of bed licences		-	640,200	-	640,200
Proceeds from sale of property, plant and equipment		1,188,658	-	1,188,658	-
Payment for property, plant and equipment		(6,416,129)	(1,594,959)	(6,416,129)	(1,594,959)
Net cash from/(used in) investing activities		4,214,505	(3,949,968)	4,214,505	(4,183,161)
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds of bequest held in trust		2,200,208	556,813	2,200,208	556,813
Net cash provided by financing activities		2,200,208	556,813	2,200,208	556,813
Net increase in cash held		5,816,746	126,132	5,803,175	129,818
Cash at beginning of financial year		1,041,885	915,753	1,025,243	895,425
Cash at end of financial year	17 (a)	6,858,631	1,041,885	6,828,418	1,025,243

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
for the Year Ended 30 June 2006

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 complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety as applicable to not-for-profit entities.

Basis of preparation

First time adoption of Australian equivalents to International Financial Reporting Standards

Jewish Care (Victoria) Incorporated has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 July 2005.

In accordance with the requirements of AASB1: First time adoption of Australian Equivalents to International Financial Reporting Standards, adjustments resulting from the introduction of AIFRS have been adopted
retrospectively to 2005 comparative figures. These accounts are the first financial statements of Jewish Care (Victoria) Incorporated to be prepared in accordance with AIFRS.

The accounting policies set out below have been consistently applied to all years presented.

Reconciliations of the transition from previous Australian GAAP to AIFRS have been included in Note 2 to this report.

Reporting Basis and Convention

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 Consolidation

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 he date control was obtained or until the date control ceased.

(b) Inventories

Inventories are measured at the lower of cost and current replacement cost. 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 on 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.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

(d) Property, Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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.

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 assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(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.

Following change in the Long Service Leave Act this financial year, employees are now entitled to their long service leave entitlement as from their 7th year of service instead of their 10th year of service previously.

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) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will results and that outflow can be reliably measured.

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(j) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Notes to the Financial Statements
for the Year Ended 30 June 2006

Note 1: Statement of Significant Accounting Policies continued

Financial assets at fair value through profit and loss
A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments
These investments have fixed maturities, and it is the group°Øs intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets
Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities
Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value
Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment
At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(k) 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.

(l) Impairment of Assets
At each reporting date, the association reviews the carrying values of its tangible assets to determine whether there is an indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash generating unit to which the asset belongs.

(m) 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.

Revenue on sale of non current assets is recognised when an unconditional sale contract is signed and the risks and rewards of ownership have transferred to the purchaser.

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

(n) 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.

(o) 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.

(p) 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.

(q) 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 Balance Sheet are shown inclusive of GST.

(r) Comparative Figures

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

Notes to the Financial Statements
for the Year Ended 30 June 2006

Note 2: First Time Adoption of Australian Equivalents to International Financial Reporting

Reconciliation of Equity at 1 July 2004	Note	Previous GAAP at 1 July 2004 $	Effect of transition to AIFRS $	AIFRS at 1 July 2004 $
CURRENT ASSETS				
Cash and cash equivalents		915,753	-	915,753
Receivables		1,142,447	-	1,142,447
Inventories		42,168	-	42,168
Other Financial Assets		20,020,692	-	20,020,692
Other Assets		63,907	-	63,907
TOTAL CURRENT ASSETS		22,184,967	-	22,184,967
NON CURRENT ASSETS				
Property, Plant and Equipment		40,470,624	-	40,470,624
TOTAL NON CURRENT ASSETS		40,470,624	-	40,470,624
TOTAL ASSETS		62,655,591	-	62,655,591
CURRENT LIABILITIES				
Trade and Other Payables		3,309,733	-	3,309,733
Interest bearing liabilities		31,664	-	31,664
Provisions		3,379,042	-	3,379,042
Other liabilities		6,053,351	-	6,053,351
TOTAL CURRENT LIABILITIES		12,773,790	-	12,773,790
NON CURRENT LIABILTIIES				
Provisions		702,423	-	702,423
Other liabilities		-	-	-
TOTAL NON CURRENT LIABILITIES		702,423	-	702,423
TOTAL LIABILITIES		13,476,213	-	13,476,213
NET ASSETS		49,179,378	-	49,179,378
EQUITY				
Reserves		23,476,194	-	23,476,194
Accumulated Surplus		25,703,184	-	25,703,184
TOTAL EQUITY		49,179,378		49,179,378

Note 2: First Time Adoption of Australian Equivalents to International Financial Reporting continued

Reconciliation of Equity at 30 June 2005	Note	Previous GAAP at 30 June 2005 $	Effect of transition to AIFRS $	AIFRS at 30 June 2005 $
CURRENT ASSETS				
Cash and cash equivalents		1,041,885	-	1,041,885
Receivables		905,428	-	905,428
Inventories		42,210	-	42,210
Other Financial Assets		22,619,182	-	22,619,182
Other Assets		68,085	-	68,085
TOTAL CURRENT ASSETS		24,676,790	-	24,676,790
NON CURRENT ASSETS				
Property, Plant and Equipment		40,693,859	-	40,693,859
TOTAL NON CURRENT ASSETS		40,693,859	-	40,693,859
TOTAL ASSETS		65,370,649	-	65,370,649
CURRENT LIABILITIES				
Trade and Other Payables		2,850,977	-	2,850,977
Provisions		3,219,967	-	3,219,967
Other liabilities		6,450,070	-	6,450,070
TOTAL CURRENT LIABILITIES		12,521,014	-	12,521,014
NON CURRENT LIABILTIIES				
Provisions		1,204,651	-	1,204,651
TOTAL NON CURRENT LIABILITIES		1,204,651	-	1,204,651
TOTAL LIABILITIES		13,725,665	-	13,725,665
NET ASSETS		51,644,984	-	51,644,984
EQUITY				
Reserves		23,422,693	-	23,422,693
Accumulated Surplus		28,222,291	-	28,222,291
TOTAL EQUITY		51,644,984	-	51,644,984

Notes to the Financial Statements

for the Year Ended 30 June 2006

Note 2: First Time Adoption of Australian Equivalents to International Financial Reporting continued

Reconciliation of Profit or Loss for 2005	Note	Previous GAAP	Effect of transition to AIFRS	AIFRS
		$	$	$
Revenue				
Accommodation charges		6,775,966	-	6,775,966
Government subsidies		18,660,145	-	18,660,145
Proceeds from sale of bed licences		640,200	-	640,200
Other revenues from ordinary activities		9,853,418	-	9,853,418
		35,929,729	-	35,929,729
Expense excluding finance costs				
Employee benefits expenses		(21,717,785)	-	(21,717,785)
Depreciation and amortisation expenses		(1,371,724)	-	(1,371,724)
Community development expenses		(800,968)	-	(800,968)
External services		(945,339)	-	(945,339)
Food expenses		(3,548,997)	-	(3,548,997)
Repairs and maintenance		(1,132,487)	-	(1,132,487)
Medical and other supplies		(541,680)	-	(541,680)
Consulting expenses		(684,857)	-	(684,857)
Energy expenses		(328,421)	-	(328,421)
Office administration expenses		(646,504)	-	(646,504)
Laundry expenses		(410,662)	-	(410,662)
Other expenses from ordinary activities		(1,281,198)	-	(1,281,198)
		(33,410,622)	-	(33,410,622)
Profit before income tax expense		**2,519,107**	**-**	**2,519,107**
Income tax expense		-	-	-
Profit attributable to the association		**2,519,107**	**-**	**2,519,107**

Note 3: Revenue

	Note	Economic Entity 2006 $	Economic Entity 2005 $	Parent Entity 2006 $	Parent Entity 2005 $
3a) Government subsidies					
- operating subsidies		18,353,276	18,293,012	18,353,276	18,293,012
- capital contributions		339,647	367,133	339,647	367,133
		18,692,923	18,660,145	18,692,923	18,660,145
3b) Other revenue					
- donations		1,040,467	1,034,946	1,040,467	1,034,946
- bequests		2,469,288	5,045,410	2,455,819	5,029,155
- appeals		2,002,296	2,218,378	2,002,296	2,218,378
- interest		1,136,846	1,158,888	1,136,846	1,158,880
- capital appeal		820,000	300,672	820,000	300,672
- other income		160,103	95,124	160,103	95,124
		7,629,000	9,853,418	7,615,531	9,837,155

Note 4: Profit

Profit before income tax expenses has been determined after:

(a) Expenses:

	Note	Economic Entity 2006 $	Economic Entity 2005 $	Parent Entity 2006 $	Parent Entity 2005 $
Depreciation of non-current assets					
- Buildings		160,544	777,400	160,544	777,400
- Motor vehicles		23,787	52,695	23,787	52,695
- Furniture, fixtures and fittings		454,517	541,629	454,517	541,629
Total depreciation and amortisation	10 (a)	658,848	1,371,724	658,848	1,371,724
Remuneration of the auditors for:					
- audit or review services		50,000	50,000	50,000	50,000
- other services		5,000	5,825	5,000	5,825
		55,000	55,825	55,000	55,825
Computer Rental Costs		86,881	71,984	86,881	71,984

Notes to the Financial Statements
for the Year Ended 30 June 2006

Note 4: Profit

	Note	Economic Entity		Parent Entity	
		2006	2005	2006	2005
		$	$	$	$
Community development expenses					
- fundraising		714,291	712,862	714,291	712,862
- organisational development and marketing		80,722	88,106	80,722	88,106
		795,013	800,968	795,013	800,968
Other expenses					
- emergency services		135,694	158,154	135,694	158,154
- security services		238,587	208,795	238,587	208,795
- travel and motor expenses		121,689	89,573	121,689	89,573
- rates and insurance		305,428	280,504	305,428	280,504
- rental expenses		335,356	121,217	335,356	121,217
- other expenses		136,508	255,716	123,039	245,646
		1,273,262	1,113,959	1,259,793	1,103,889
(b) Revenue and Net Gains					
Net gain on disposal of non-current assets					
- property, plant and equipment		3,865,143	-	3,865,143	-
(c) Significant Revenues and Expenses:					
- sale of bed licences		-	640,200	-	640,200
- government subsidies - capital contributions		-	367,133	-	367,133
Total		-	1,007,333	-	1,007,333

Note 5: Cash and Cash Equivalents

	Note	Economic Entity 2006 $	Economic Entity 2005 $	Parent Entity 2006 $	Parent Entity 2005 $
Cash on hand	17	37,666	25,162	7,453	8,520
Cash at bank	17	6,820,965	1,016,723	6,820,965	1,016,723
		6,858,631	1,041,885	6,828,418	1,025,243

Note 6: Trade and Other Receivables

	Note	Economic Entity 2006 $	Economic Entity 2005 $	Parent Entity 2006 $	Parent Entity 2005 $
Community development expenses					
- fundraising		714,291	712,862	714,291	712,862
- organisational development and marketing		80,722	88,106	80,722	88,106
		795,013	800,968	795,013	800,968
Other expenses					
- emergency services		135,694	158,154	135,694	158,154
- security services		238,587	208,795	238,587	208,795
- travel and motor expenses		121,689	89,573	121,689	89,573
- rates and insurance		305,428	280,504	305,428	280,504
- rental expenses		335,356	121,217	335,356	121,217
- other expenses		136,508	255,716	123,039	245,646
		1,273,262	1,113,959	1,259,793	1,103,889
(b) Revenue and Net Gains					
Net gain on disposal of non-current assets					
- property, plant and equipment		3,865,143	-	3,865,143	-
(c) Significant Revenues and Expenses:					
- sale of bed licences		-	640,200	-	640,200
- government subsidies - capital contributions		-	367,133	-	367,133
Total		-	1,007,333	-	1,007,333

Note 7: Inventories

CURRENT				
Inventories - general	54,032	42,210	53,998	42,175

Note 8: Other Assets

CURRENT				
Prepayments and deposits	645,906	68,085	645,906	68,085

Note 9: Financial Assets

CURRENT				
Other current investments	4,377,226	14,463,462	4,377,226	14,463,312
Accommodation bonds	8,485,601	6,450,070	8,485,601	6,450,070
Residents funds held in trust	189,418	151,831	189,418	151,831
Government funding	-	1,429,009	-	1,429,009
Encumbered bequests held in trust	124,810	124,810	124,810	124,810
	13,177,055	22,619,182	13,177,055	22,619,032

Notes to the Financial Statements
for the Year Ended 30 June 2006

Note 10: Property, Plant and Equipment

	Note	Economic Entity 2006 $	Economic Entity 2005 $	Parent Entity 2006 $	Parent Entity 2005 $
LAND AND BUILDINGS					
At cost		204,987	-	204,987	-
At independent valuation – 2005 (1)		-	34,419,482	-	34,419,482
At independent valuation – 2006 (1)		35,528,000	-	35,528,000	-
Total land and buildings		35,732,987	34,419,482	35,732,987	34,419,482
FIXED ASSETS					
Motor vehicles					
At cost		396,260	345,309	396,260	345,309
Less accumulated depreciation		(303,371)	(303,987)	(303,371)	(303,987)
		92,889	41,322	92,889	41,322
Computer equipment					
At cost		318,793	413,653	318,793	413,653
Less accumulated depreciation		(277,947)	(333,670)	(277,947)	(333,670)
		40,846	79,983	40,846	79,983
Furniture, fixtures and fittings					
At cost		2,741,629	1,943,236	2,741,629	1,943,236
Less accumulated depreciation		(1,269,504)	(850,032)	(1,269,504)	(850,032)
		1,472,125	1,093,204	1,472,125	1,093,204
Total fixed assets		1,605,860	1,214,509	1,605,860	1,214,509
Total property, plant and equipment		37,338,847	35,633,991	37,338,847	35,633,991

(1) Land and buildings were valued as at 30 June 2005 and as at 30 June 2006 by an independent valuer, Charter Keck Cramer at $34.4 million and $35.528 million respectively using the fair value basis.

Valuations were made on the basis of open market value by reference to sales of similar qualifying assets in similar locations. The revaluation surplus was credited to an assets revaluation reserve in shareholders' equity.

Note 10: Property, Plant and Equipment continued

	Land & Building $	Motor Vehicles $	Furniture, fixtures & fittings $	Computer Equipment $	Total $
(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.					
2006					
Balance at the beginning of the year	34,419,482	41,322	1,093,204	79,983	35,633,991
Additions	5,262,689	89,000	809,187	5,253	6,166,129
Revaluation Increment	680,360	-	-	-	680,360
Disposals	(4,469,000)	(13,646)	(139)	-	(4,482,785)
Depreciation expense	(160,544)	(23,787)	(430,127)	(44,390)	(658,848)
Carrying amount at the end of the year	35,732,987	92,889	1,472,125	40,846	37,338,847

Note 11: Trade and Other Payables

	Note	Economic Entity 2006 $	Economic Entity 2005 $	Parent Entity 2006 $	Parent Entity 2005 $
CURRENT					
Unsecured liabilities					
Trade creditors		1,250,241	1,661,682	1,250,241	1,661,682
Sundry creditors and accruals		1,199,929	1,036,964	1,199,429	1,036,964
Resident funds	(a)	189,418	151,831	189,418	151,831
		2,639,588	2,850,477	2,639,088	2,850,477

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

Notes to the Financial Statements

for the Year Ended 30 June 2006

Note 12: Provisions

	Note	Economic Entity 2006 $	2005 $	Parent Entity 2006 $	2005 $
CURRENT					
Employee benefits	12(a)	4,329,032	3,219,967	4,329,032	3,219,967
NON-CURRENT					
Employee benefits	12(a)	563,719	1,204,651	563,719	1,204,651
(a) Aggregate employee benefit liability		4,892,751	4,424,618	4,892,751	4,424,618
(b) Number of employees at year end		612	527	612	527

Note 13: Other Liabilities

CURRENT				
Amount payable to controlled entities	-	-	355,956	-
Deposits held in trust	8,485,600	6,450,070	8,485,600	6,450,070
	8,485,600	6,450,070	8,841,556	6,450,070
NON-CURRENT				
Amount payable to controlled entities	-	-	-	355,956

Note 14: Reserves

(a) The asset revaluation reserve records revaluations of non-current assets.

(b) The general reserve is used to record amounts set aside to fund the future expansion of the association.

(c) The other reserve is used to record unspent government contributions related to fire safety and prevention.

Note 15: Capital and Leasing Commitments

	Note	Economic Entity 2006 $	Economic Entity 2005 $	Parent Entity 2006 $	Parent Entity 2005 $
(a) Rental commitments					
Payable:					
- not later than 12 months		171,808	-	171,808	-
- between 12 months and 5 years		663,342	-	663,342	-
- greater than 5 years		-	-	-	-
		835,150	-	835,150	-
(b) Capital expenditure commitments contracted for:					
- Construction at Caulfield site		-	4,408,365	-	4,408,365
- Purchase of property located at 4-8 Freeman Street, Caulfield		6,000,000	-	6,000,000	-
		6,000,000	4,007,000	6,000,000	4,007,000

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 2006.

Notes to the Financial Statements
for the Year Ended 30 June 2006

Note 16: Related Party Transactions

	Note	Economic Entity 2006 $	Economic Entity 2005 $	Parent Entity 2006 $	Parent Entity 2005 $

(a) All members of the Boards 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 (Resigned 29/11/05)
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 (Resigned 09/07/05)
Mrs Esther Frenkiel
Assoc Prof Leslie Reti
Mr Andrew Schwartz
Mr A Blode (Appointed 29/11/05)

	Note	Economic Entity 2006 $	Economic Entity 2005 $	Parent Entity 2006 $	Parent Entity 2005 $
(b) Amounts receivable from controlled entities:					
Jewish Aid Society Incorporated		-	-	64,027	50,608
(c) Amounts payable to controlled entities:					
Jewish Aid Society Incorporated		-	-	355,956	355,956

Note 17: Cash Flow Information

	Note	Economic Entity		Parent Entity	
		2006	2005	2006	2005
		$	$	$	$
(a) Reconciliation of cash					
Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:					
Cash on hand	5	37,666	25,162	7,453	8,520
Cash at bank	5	6,820,965	1,016,723	6,820,965	1,016,723
		6,858,631	1,041,885	6,828,418	1,025,243
(b) Reconciliation of cash flow from operations with profit after income tax					
Surplus from after income tax		2,748,202	2,519,107	2,748,202	2,512,914
Non-cash flows:					
Depreciation		658,848	1,371,724	658,848	1,371,724
Profit on disposal of property, plant and equipment		(3,865,143)	-	(3,865,143)	-
Net gain on sale of bed licences		-	(640,200)	-	(640,200)
Fair value of property bequested		(350,000)	-	(350,000)	-
Changes in assets and liabilities:					
(Increase)/decrease in receivables		(542,725)	237,019	(542,875)	127,851
Decrease/(increase) in other assets		494,510	(4,178)	494,510	(4,178)
(Increase)/decrease in inventories		(11,823)	(42)	(11,823)	(7)
(Decrease)/increase in payables		(197,968)	(307,296)	(211,389)	44,909
Increase in provisions		468,132	343,153	468,132	343,153
Cash flows from operations		(597,967)	3,519,287	(611,538)	3,756,166

Notes to the Financial Statements
for the Year Ended 30 June 2006

Note 18: 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 2006	Weighted Average Effective Interest Rate 2005	Fixed Interest Rate Maturing Within 1 Year 2006	Fixed Interest Rate Maturing Within 1 Year 2005
	%	%	$	$
Financial Assets:				
Cash	2.90	2.90	-	-
Receivables	-	-	-	-
Investments	5.82	5.50	13,177,055	22,619,182
Total Financial Assets			13,177,055	22,619,182
Financial Liabilities:				
Trade and sundry creditors	-	-	-	-
Deposits held in trust	-	-	-	-
Total Financial Liabilities			31,664	31,664

(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 Balance Sheet a nd 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.

Fixed Interest Rate Maturing							
1 to 5 Years		Floating Interest Rate		Non Interest Bearing		Total	
2006	2005	2006	2005	2006	2005	2006	2005
$	$	$	$	$	$	$	$
-	-	6,820,965	1,016,723	37,666	25,162	6,858,631	1,041,885
-	-	-	-	7,957,147	905,428	7,957,147	905,428
-	-	-	-	-	-	13,177,055	22,619,182
-	-	6,820,965	1,016,723	7,994,813	930,590	27,992,833	24,566,495
-	-	-	-	2,639,088	2,850,977	2,639,088	2,850,977
-	-	-	-	8,485,600	6,450,070	8,485,600	6,450,070
-	-	-	-	11,124,688	9,301,047	11,124,688	9,301,047

Notes to the Financial Statements

for the Year Ended 30 June 2006

Note 19: Segment Reporting

	Residential Services		Community Services			Total
	2006	2005	2006	2005	2006	2005
	$	$	$	$	$	$
Revenue from ordinary activities						
Accommodation charges	5,228,599	5,342,642	993,978	1,433,324	6,222,577	6,775,966
Subsidees- Government subsidies	12,947,202	13,011,915	4,605,607	5,239,046	17,552,809	18,250,961
Subsidees - External	-	-	1,140,114	-	1,140,114	-
- Others	-	-	-	-	-	409,184
Profit on sale of property, plant and equipment	-	-	-	-	3,865,143	-
Proceeds from sale of bed licences	-	-	-	-	-	640,200
Other revenues from ordinary activities (3 (b))	-	-	-	-	7,629,000	9,853,418
					36,409,643	35,929,729
Expense from ordinary activities						
Employee benefits expenses	(13,791,741)	(14,120,216)	(6,183,110)	(5,279,259)	(19,974,851)	(19,399,475)
Depreciation and amortisation expenses	-	-	-	-	(658,848)	(1,371,724)
External services	-	(24,510)	-	(920,829)	-	(945,339)
Food expenses	(3,562,118)	(3,444,553)	(104,953)	(67,674)	(3,667,071)	(3,512,227)
Repairs and maintenance	(744,474)	(735,391)	(96,786)	(104,149)	(841,260)	(839,540)
Medical and other supplies	(536,227)	(508,459)	(16,826)	(11,412)	(553,053)	(519,871)
Consulting expenses	(104,698)	(64,378)	(56,222)	(44,933)	(160,920)	(109,311)
Energy, rates and insurance	(572,646)	(545,160)	(46,468)	(29,329)	(619,114)	(574,489)
Office administration expenses	(292,122)	(203,580)	(205,041)	(69,217)	(497,163)	(272,797)
Laundry expenses	(405,325)	(394,040)	(2,433)	(4,034)	(407,758)	(398,074)
Security expenses	(237,947)	(203,447)	(331)	(848)	(238,278)	(204,295)
Rental expenses	(150,000)	(83,893)	(185,356)	(37,323)	(335,356)	(121,216)
Emergency services	-	-	(135,694)	(158,154)	(135,694)	(158,154)
Client and resident costs	(42,867)	(36,877)	(511,581)	(131,702)	(554,448)	(168,579)
Travel and motor vehicle expenses	(8,352)	(7,162)	(86,519)	(67,010)	(94,871)	(74,172)
Sundry Expenses	(8,377)	(17,697)	(99,245)	(42,473)	(107,622)	(60,170)
Marketing and public relations expenses	-	(55,345)	-	(77,413)	-	(132,758)
Marketing and public relations expenses - General	-	-	-	-	(80,722)	(88,106)
Fundraising expenditure	-	-	-	-	(714,291)	(712,862)
Intercompany program	(489,961)	-	489,961	-	-	-
Head office expenses	-	-	-	-	(4,020,121)	(3,747,463)
					(33,661,441)	(33,410,622)
Profit before and after income tax expense					2,748,202	2,519,107

Note 19: Segment Reporting continued

	Residential Services		Other Services		Total	
	2006	2005	2006	2005	2006	2005
	$	$	$	$	$	$
CURRENT ASSETS						
Cash and cash equivalents	2,227,078	295,813	4,304,377	425,356	6,858,631	1,041,885
Trade and other receivables	100,308	54,364	7,561,112	534,938	7,957,147	905,428
Inventories	50,296	40,048	3,736	2,162	54,032	42,210
Financial assets	10,444,569	10,604,495	2,845,440	11,782,266	13,177,055	22,619,182
Other Assets	645,906	50,294	-	17,791	645,906	68,085
TOTAL CURRENT ASSETS	13,468,157	11,045,014	14,714,665	12,762,513	28,692,771	24,676,790
NON-CURRENT ASSETS						
Property, plant and equipment	23,605,158	17,638,936	13,733,689	17,995,055	37,338,847	35,633,991
TOTAL NON-CURRENT ASSETS	23,605,158	17,638,936	13,733,689	17,995,055	37,338,847	35,633,991
TOTAL ASSETS	37,073,315	28,683,950	28,448,354	30,757,568	66,031,618	60,310,781
CURRENT LIABILITIES						
Trade and other payables	1,736,010	883,635	767,707	231,168	2,639,588	2,850,977
Provisions	3,296,463	2,540,417	1,032,569	679,550	4,329,032	3,219,967
Other liabilities	8,485,600	8,485,600	-	8,485,600	8,485,600	6,450,070
TOTAL CURRENT LIABILITIES	13,518,073	13,518,073	1,800,276	13,518,073	15,454,220	12,521,014
NON-CURRENT LIABILITIES						
Provisions	400,024	923,652	163,695	280,999	563,719	1,204,651
TOTAL NON-CURRENT LIABILITIES	400,024	923,652	163,695	280,999	563,719	1,204,651
TOTAL LIABILITIES	13,918,097	14,441,725	2,794,254	13,799,072	16,017,939	13,725,665
NET ASSETS	23,155,218	14,242,225	25,654,100	16,958,496	50,013,679	46,585,116
EQUITY						
Reserves	15,931,181	(1,984,583)	12,018,260	20,347,407	31,267,664	18,362,825
Accumulated Surplus	7,224,037	16,226,808	13,635,840	(3,388,911)	18,746,015	28,222,291
TOTAL EQUITY	23,155,218	14,242,225	25,654,100	16,958,496	50,013,679	46,585,116

Jewish Care (Victoria) Inc. operates predominantly in two industry segments that is Residential Services and Community Services for the benefit of members of the Jewish community. All activities are conducted in Australia.

Notes to the Financial Statements
for the Year Ended 30 June 2006

Note 20: Controlled Entities

Subsidiary:	Jewish Aid Society Incorporated
Country of incorporation:	Australia
Percentage owned:	2006 - 100% (2005 – 100%)

Note 21: Key Management Renumeration

	Salary $	Superannuation $	Total $
Total compensation	768,299	120,666	888,965

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 29:

1. Presents a true and fair view of the financial position of Jewish Care (Victoria) Incorporated as at 30 June 2006 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 29th day of August 2006

DTT Victoria

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Independent audit report to the Members of

Jewish Care (Victoria) Incorporated

Scope

The financial report and Committee Members' responsibility

The financial report comprises the balance sheet, income statement, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes and the declaration of the members of the Committee for Jewish Care (Victoria) Incorporated, for the financial year ended 30 June 2006 as set out on pages 3 to 28.

The members of the Committee are responsible for the preparation and fair presentation of the financial report in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia. This includes responsibility for the maintenance of adequate financial records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Committee. Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal controls, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures 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, the results of its operations, its changes in equity and its cash flows.

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 made by the members of the Committee.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

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

Deloitte.

Audit Opinion

In our opinion, the financial report of Jewish Care (Victoria) Incorporated presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the association's financial position as at 30 June 2006 and the results of its operations, its changes in equity and its cash flows for the year ended on that date.

DTT Victoria

DTT VICTORIA
Chartered Accountants

J F Knott
Partner

Melbourne, 29 August 2006

Notes

Jewish Care (Victoria) Inc
619 St Kilda Road Melb VIC 3004
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