Annual Report 08/09
Financial Review

Jewish Care

Jewish Care (Victoria) Incorporated and Controlled Entities

REG: A00 407 05X

Annual report for the financial year ended 30 June 2009

General purpose financial report
for the financial year ended 30 June 2009

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Committee's report

The Committee members of Jewish Care (Victoria) Incorporated submit herewith the annual financial report of Jewish Care (Victoria) Incorporated for the financial year ended 30 June 2009. The Committee members report as follows:

The names of the committee members of the Association during or since the end of the financial year are:

- Mrs Nina Bassat AM (resigned as co-opted Board member in October 2008)
- Mr Jeffrey Appel
- Mr Andrew Blode
- Mr David Brous
- Ms Laura Davis (appointed as co-opted Board member in November 2008)
- Mr Farrel Meltzer
- Prof Frank Oberklaid OAM
- Assoc Prof Leslie Reti
- Mr Michael Schoenfeld
- Mr Bruce Rosengarten
- Mr Andrew Schwartz
- Mrs Robyne Schwarz
- Mrs Louse Zygier (resigned in November 2008)
- Dr Joel Freeman
- Mr Daniel Jenshel

The above named members held office during and since the end of the financial year unless otherwise stated.

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.

Review of operations

Jewish Care is a not for profit entity relying on community support for its works. Surplus for the year of $1,997,648 (2008: $2,322,751) is made up as follows:

	2009		2008	
	$	*$*	*$*	*$*
Loss from ordinary activities of the economic entity after related income tax		***(6,711,821)***		***(5,925,122)***
- Community Annual Appeal and donations net of cost		*1,800,972*		*2,005,241*
Loss after Annual Appeal and donations net of cost		*(4,910,849)*		*(3,919,881)*
Non Recurrent Items:				
- Capital Appeal	*2,686,644*		*1,968,500*	
- Gain on sale of Property, Plant and Equipment	*12,000*		-	
		2,698,644		*1,968,500*
Loss after Non Recurrent Items		*(2,212,205)*		*(1,951,381)*
Community Contributions:				
- Bequests		*4,209,854*		*4,274,132*
Surplus from ordinary operating activities		***1,997,648***		***2,322,751***

Net Assets

Movement in Net Assets is made up of:

	2009	2008
	$	**$**
Opening Balance	63,917,266	58,301,982
Add: Surplus after tax	1,997,648	2,322,751
Add: Undistributed reserve	6,298	-
Add: Revaluation Increment/(Decrement) in Land and Building	(1,573,080)	3,292,533
Closing Balance	64,348,132	63,917,266

Changes in state of affairs

There was no significant change in the state of affairs of the economic entity during the financial year.

Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

Future developments

Disclosure of information regarding likely developments in the operations of the economic entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the economic entity. Accordingly, this information has not been disclosed in this report.

Indemnification of officers and auditors

The Association has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Association:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs or expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings, with the exception of the following:

A policy has been contracted with Victorian Managed Insurance Authority to indemnify Committee members and officers against loss for which they may not be legally indemnified by the Association arising out of any claim, by reason of any wrongful act committed by them, in their capacity as a director or officer, first made against them jointly or severally during the period of insurance and notified to the insurer during the indemnity period.

Further details of the policy, the level of cover and the premium paid cannot be disclosed under the terms and conditions of the contract.

Committee's meetings

The following table sets out the number of committee meetings held during the financial year and the number of meetings attended by each director (while they were a committee member). During the financial year, 12 committee meetings were held.

	Committee Meetings	
Directors	**Eligble to Attend**	**Attended**
Mrs Nina Bassat AM	4	4
Mr Andrew Blode	12	8
Mr David Brous	12	8
Mr Jeffrey Appel	12	10
Ms Laura Davis	8	8
Mr Farrel Meltzer	12	8
Prof Frank Oberklaid OAM	12	7
Assoc Prof Leslie Reti	12	10
Mr Michael Schoenfeld	12	11
Mr Andrew Schwartz	12	8
Mrs Robyne Schwarz	12	11
Mrs Louse Zygier	4	3
Dr Joel Freeman	12	11
Mr Daniel Jenshel	12	8
Mr Bruce Rosengarten	12	10

Proceedings on behalf of economic entity

No person has applied for leave of Court to bring proceedings on behalf of the economic entity or intervene in any proceedings to which the economic entity is party for the purpose of taking responsibility on behalf of the economic entity for all or any part of those proceedings.

The economic entity was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Committee.

On behalf of the Committee

Mr Michael Schoenfeld
Committee Member
Melbourne, 29 September 2009

Mrs Robyne Schwarz
Committee Member
Melbourne, 29 September 2009

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Independent Auditor's Report to the Members of Jewish Care (Victoria) Incorporated

We have audited the accompanying financial report of Jewish Care (Victoria) Incorporated, which comprises the balance sheet as at 30 June 2009, and the income statement, cash flow statement and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 6 to 31.

The Responsibility of Members of the Committee for the Financial Report

The members of the committee of the entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Associations Incorporation Act of Victoria 1981*. This responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the committee, as well as evaluating the overall presentation of the financial report.

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

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In our opinion, the financial report of Jewish Care (Victoria) Incorporated gives a true and fair view, in all material respects, of the association's and consolidated entity's financial position as at 30 June 2009, and of their financial performance, their cash flows and their changes in equity for the year ended on that date in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Associations Incorporation Act of Victoria 1981*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Robert D D Collie
Partner
Chartered Accountants
Melbourne, 29 September 2009

Statement by Members of the Committee

In the opinion of the Committee:

1. The financial report as set out on pages 7 to 31 gives a true and fair view of the financial position of Jewish Care Victoria Incorporated as at 30 June 2009 and its performance for the year ended on that date.

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:

Mr Michael Schoenfeld
Committee Member
Melbourne, 29 September 2009

Mrs Robyne Schwarz
Committee Member
Melbourne, 29 September 2009

Income statement
for the financial year ended 30 June 2009

	Note	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Revenue					
Accommodation charges		7,384,930	7,090,783	7,384,930	7,090,783
Government subsidies		21,932,023	19,869,562	21,932,023	19,869,562
Gain on sale of property plant & equipment		12,000	-	12,000	-
Other revenues	3	11,922,491	11,219,909	11,906,471	11,205,391
		41,251,444	38,180,254	41,235,424	38,165,736
Employee benefits expense		(25,435,523)	(23,591,740)	(25,435,523)	(23,591,740)
Depreciation and amortisation expenses	4	(908,521)	(839,014)	(908,521)	(839,014)
Community development expenses	4	(1,467,774)	(954,558)	(1,467,774)	(954,558)
External services expenses		(1,025,255)	(900,896)	(1,025,255)	(900,896)
Food expenses		(4,064,833)	(3,902,396)	(4,064,833)	(3,902,396)
Repairs and maintenance expenses		(1,498,131)	(1,322,703)	(1,498,131)	(1,322,703)
Medical and other supplies		(712,385)	(753,407)	(712,385)	(753,407)
Consulting expenses		(863,561)	(709,245)	(863,561)	(709,245)
Energy expenses		(425,093)	(396,826)	(425,093)	(396,826)
Administration expenses		(1,181,831)	(1,073,571)	(1,181,831)	(1,073,571)
Laundry expenses		(419,693)	(392,127)	(419,693)	(392,127)
Other expenses	4	(1,251,196)	(1,021,020)	(1,235,099)	(1,006,502)
Surplus before tax	4	1,997,648	2,322,751	1,997,725	2,322,751
Income tax expense	5	-	-	-	-
Surplus after tax		1,997,648	2,322,751	1,997,725	2,322,751

Notes to the financial statements are included on pages 11 to 31.

Balance sheet
as at 30 June 2009

		Economic Entity		Parent Entity	
	Note	2009 $	2008 $	2009 $	2008 $
Current assets					
Cash and cash equivalents	6	8,912,947	3,094,519	8,751,557	2,891,602
Trade and other receivables	7	1,590,596	2,036,647	1,488,972	1,880,699
Inventories	8	-	-	-	-
Other financial assets	9	24,101,797	29,425,388	24,101,797	29,425,388
Other	11	63,054	49,133	63,054	49,133
Total current assets		34,668,394	34,605,687	34,405,380	34,246,822
Non-current assets					
Trade and other receivables	7	-	-	9,300,987	9,285,000
Property, plant and equipment	10	72,097,954	57,497,892	50,024,761	47,495,537
Other	11	-	39,296	-	-
Total non-current assets		72,097,954	57,537,188	59,325,748	56,780,537
Total assets		106,766,348	92,142,875	93,731,128	91,027,359
Current liabilities					
Trade and other payables	12	3,884,217	4,164,628	3,813,683	4,164,128
Provisions	13	4,563,298	4,329,798	4,563,297	4,329,798
Borrowings	14	15,350,986	-	16,850	-
Other	15	17,906,616	17,064,784	18,335,572	17,477,740
Total current liabilities		41,705,117	25,559,210	26,729,402	25,971,666
Non-current liabilities					
Provisions	13	636,701	710,102	636,701	710,102
Borrowings	14	76,398	1,956,296	76,398	-
Total non-current liabilities		713,099	2,666,398	713,099	710,102
Total liabilities		42,418,216	28,225,608	27,442,501	26,681,768
Net assets		64,348,132	63,917,267	66,288,627	64,345,591
Equity					
Reserves	16	25,867,255	27,434,038	28,080,523	28,135,212
Accumulated funds	17	38,480,877	36,483,229	38,208,104	36,210,379
Total equity		64,348,132	63,917,267	66,288,627	64,345,591

Notes to the financial statements are included on pages 11 to 31.

Statement of changes in equity for the financial year ended 30 June 2009

Economic Entity

	Asset revaluation reserve $	General reserves $	Other reserves $	Accumulated funds $	Total $
Balance at 1 July 2007	19,697,161	1,369,550	3,074,794	34,160,478	58,301,983
Surplus for the year	-	-	-	2,322,751	2,322,751
Gain on revaluation of property	3,292,533	-	-	-	3,292,533
Balance at 30 June 2008	22,989,694	1,369,550	3,074,794	36,483,229	63,917,267
Surplus for the year	-	-	-	1,997,648	1,997,648
Undistributed Reserve	-	-	6,298	-	6,298
Loss on revaluation of investment	(26,221)	-	-	-	(26,221)
Loss on revaluation of property	(1,546,860)	-	-	-	(1,546,860)
Balance at 30 June 2009	21,416,613	1,369,550	3,081,092	38,480,877	64,348,132

Parent Entity

	Asset revaluation reserve $	General reserves $	Other reserves $	Accumulated funds $	Total $
Balance at 1 July 2007	19,697,161	1,369,550	3,025,968	33,887,628	57,980,307
Surplus for the year	-	-	-	2,322,751	2,322,751
Gain on revaluation of property	4,042,533	-	-	-	4,042,533
Balance at 30 June 2008	23,739,694	1,369,550	3,025,968	36,210,379	64,345,591
Surplus for the year	-	-	-	1,997,725	1,997,725
Undistributed Reserve	-	-	6,298	-	6,298
Loss on revaluation of investment	(26,220)	-	-	-	(26,220)
Loss on revaluation of property	(34,767)	-	-	-	(34,767)
Balance at 30 June 2009	23,678,707	1,369,550	3,032,266	38,208,104	66,288,627

Notes to the financial statements are included on pages 11 to 31.

Cash flow statement
for the financial year ended 30 June 2009

	Note	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Cash flows from operating activities					
Receipts from customers		39,668,714	35,909,378	39,598,402	36,036,325
Payments to suppliers and employees		(38,440,214)	(33,977,510)	(38,533,447)	(33,909,696)
Interest received		2,016,781	1,987,985	2,016,749	1,987,985
Net cash provided by operating activities	20(b)	3,245,281	3,919,853	3,081,704	4,114,614
Cash flows from investing activities					
Redemption/(reinvestment) of term deposit		5,323,591	(5,059,944)	5,323,591	(5,059,944)
Proceeds on sale of property, plant and equipment		12,000	-	12,000	-
Payments for property, plant and equipment		(16,982,116)	(4,981,423)	(3,399,185)	(1,013,503)
Net cash (used in)/provided by investing activities		(11,646,525)	(10,041,367)	1,936,406	(6,073,447)
Cash flows from financing activities					
Proceeds of accommodation bond held in trust		841,832	5,078,629	841,832	5,078,629
Proceeds from borrowings		13,377,840	1,956,296	-	-
Amounts (advanced to) / received from related parties			-	13	(2,408,790)
Net cash provided by financing activities		14,219,672	7,034,925	841,845	2,669,839
Net increase in cash and cash equivalents		5,818,428	913,411	5,859,955	711,006
Cash and cash equivalents at the beginning of the financial year		3,094,519	2,181,108	2,891,602	2,180,596
Cash and cash equivalents at the end of the financial year	20(a)	8,912,947	3,094,519	8,751,557	2,891,602

Notes to the financial statements are included on pages 11 to 31.

1. General information

Jewish Care (Victoria) Incorporated is an incorporated association, incorporated in and operating in Australia.

Jewish Care (Victoria) Incorporated's registered office and its principal place of business are as follows:

619 St Kilda Road
Melbourne VIC 3004
AUSTRALIA

2. Significant accounting policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Associations Incorporation Act of Victoria 1981, Accounting Standards and Interpretations, and complies with other requirements of the law.

The financial report covers Jewish Care (Victoria) Incorporated as an individual entity and Jewish Care (Victoria) Incorporated and controlled entities as an economic entity. The financial report complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety as applicable to not for profit entities.

The financial statements were authorised for issue by the Committee on 29 September 2009.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the economic entity's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Adoption of new and revised Accounting Standards

In the current year, the economic entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current annual reporting period. There were no material impacts from the adoption of these new and revised Standards and Interpretations on the financial statements.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(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 19.

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.

2. Significant accounting policies (cont'd)

(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 Committee. 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 accumulated depreciation and impairment losses.
The carrying amount is reviewed by the Committee to ensure that it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed 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.

2. Significant accounting policies (cont'd)

(f) 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.

(g) 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.

(h) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(i) Financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Subsequent to initial recognition, investments in subsidiaries are measured at cost in the company financial statements. Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity investments', 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit and loss

Financial assets are classified as financial assets at fair value through profit or loss where the financial asset:

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

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Interest income is recognised by applying the effective interest rate.

Held-to-maturity investments

Bills of exchange and debentures with fixed or determinable payments and fixed maturity dates where that the economic entity has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

2. Significant accounting policies (cont'd)

(i) Financial assets (cont'd)

Available-for-sale financial assets
Certain shares and redeemable notes held by the economic entity are classified as being available-for-sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in profit or loss for the period.

Dividends on available-for-sale equity instruments are recognised in profit and loss when the economic entity's right to receive the dividends is established.

The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at reporting date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in equity.

Term deposits
Investments in term deposits are measured on the amortised cost basis.

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

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

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

(j) Financial Instruments issued by the company
Financial liabilities
Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

2. Significant accounting policies (cont'd)

(j) Financial Instruments issued by the company

Other financial liabilities

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

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

(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.

(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.

(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 a 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.

2. Significant accounting policies (cont'd)

(s) Standards and Interpretations issued not yet effective

At the date of authorisation of the financial report, the following Standards and Interpretations listed below were in issue but not yet effective.

Initial application of the following Standards will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the economic entity and the Association's financial report:

Standards	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
• AASB 101 'Presentation of Financial Statements' (revised September 2007), AASB 2007-8 'Amendments to Australian Accounting Standards arising from AASB 101', AASB 2007-10 'Further Amendments to Australian Accounting Standards arising from AASB 101'	1 January 2009	30 June 2010

Initial application of the following Standards/Interpretations is not expected to have any material impact on the financial report of the economic entity and the Association:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
• AASB 123 'Borrowing Costs' (revised), AASB 2007-6 'Amendments to Australian Accounting Standards arising from AASB 123'	1 January 2009	30 June 2010
• AASB 3 'Business Combinations' (revised), AASB 127 'Consolidated and Separate Financial Statements' (revised) and AASB 2008-3 'Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127'	AASB 3 (business combinations occurring after the beginning of annual reporting periods beginning 1 July 2009), AASB 127 and AASB 2008-3 (1 July 2009)	30 June 2010
• AASB 2008-5 'Amendments to Australian Accounting Standards arising from the Annual Improvements Project'	1 January 2009	30 June 2010
• AASB 2008-6 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project'	1 July 2009	30 June 2010
• AASB 2008-7 'Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'	1 January 2009	30 June 2010
• AASB 2008-8 'Amendments to Australian Accounting Standards - Eligible Hedged Items'	1 July 2009	30 June 2010
• AASB Interpretation 15 'Agreements for the Construction of Real Estate'	1 January 2009	30 June 2010

(t) Working capital

The financial report has been prepared on the going concern basis. While the balance sheet discloses a net working capital deficiency of $7,036,723 (2008: net current asset position of $9,046,477) for the economic entity, accommodation bonds of $17,906,616 (2008: $17,064,784) are included as a current liability. The accommodation bonds will be fully utilised in the following and future years and form the basis of long term funding. The Committee therefore believes that the going concern basis of preparation is appropriate.

	Economic Entity		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
3. Revenue				
Other revenue:				
Donations	707,584	908,001	707,583	908,001
Bequests	4,193,866	4,274,133	4,193,866	4,259,615
Appeals	2,142,019	1,937,039	2,142,019	1,937,039
Interest revenue	2,016,781	1,987,985	2,016,749	1,987,985
Capital appeal	2,686,644	1,968,500	2,686,644	1,968,500
Other revenue	175,597	144,251	159,610	144,251
	11,922,491	11,219,909	11,906,471	11,205,391

4. Surplus for the year before tax

(a) Gains and losses

Surplus for the year has been arrived at after crediting/(charging) the following gains and losses

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Gain on disposal of property, plant and equipment	12,000	-	12,000	-

(b) Other expenses

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Surplus for the year includes the following expenses:				
Depreciation of non-current assets				
Computer equipment	(22,999)	(22,457)	(22,999)	(22,457)
Buildings	(516,174)	(497,739)	(516,174)	(497,739)
Motor vehicles	(30,428)	(21,088)	(30,428)	(21,088)
Motor vehicles under finance lease	(5,767)	-	(5,767)	-
Furniture, fixtures, fittings	(353,153)	(297,730)	(333,153)	(297,730)
Total depreciation and amortisation	(908,521)	(839,014)	(908,521)	(839,014)
Computer rental costs	(126,629)	(145,153)	(126,629)	(145,153)
Community development expenses				
- fundraising	(1,048,631)	(839,799)	(1,048,631)	(839,799)
- organisational development and marketing	(419,143)	(114,759)	(419,143)	(114,759)
	(1,467,774)	(954,558)	(1,467,774)	(954,558)
Other expenses				
- emergency services	(266,478)	(92,721)	(266,478)	(92,721)
- security services	(215,146)	(199,368)	(215,146)	(199,368)
- travel and motor vehicle expenses	(155,350)	(160,431)	(155,350)	(160,431)
- rates and insurance	(260,347)	(235,126)	(260,347)	(235,126)
- rental expenses	(190,238)	(188,661)	(190,238)	(188,661)
- other expenses	(163,637)	(144,713)	(147,540)	(130,195)
	(1,251,196)	(1,021,020)	(1,235,099)	(1,006,502)

	Economic Entity		Parent Entity	
	2009 $	2008 $	2009 $	2008 $

5. 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.

6. Cash and cash equivalents

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Cash on hand	9,658	8,170	8,710	7,210
Cash at Bank	8,903,289	3,086,349	8,742,847	2,884,392
	8,912,947	3,094,519	8,751,557	2,891,602

7. Trade and other receivables

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Current				
Accommodation debtors	349,069	325,541	349,069	325,541
Less allowance for doubtful debts	(70,323)	(80,044)	(70,323)	(80,044)
	278,746	245,497	278,746	245,497
Secured loan debtors	476,824	528,375	476,824	528,375
Less allowance for doubtful debts	(397)	(397)	(397)	(397)
	476,427	527,978	476,427	527,978
GST receivable	262,985	247,919	161,396	92,006
Other debtors	572,438	1,015,253	572,403	1,015,218
	1,590,596	2,036,647	1,488,972	1,880,699
Non-current				
Amounts receivable from:				
- controlled entities	-	-	9,300,987	9,285,000

The average credit period on sales of goods is 60 days. No interest is charged on the trade receivables. An allowance has been made for estimated irrecoverable amounts arising from the past provision of accommodation and services, determined by reference to past default experience. The economic entity has provided for specific receivables over 120 days determined by reference to their re-payment history.

Included in the economic entity's trade receivable balance are debtors with a carrying amount of $81,931 (2008: $119,873) which are past due at the reporting date for which the economic entity has not provided as the economic entity believes that the amounts are still considered recoverable. The economic entity does not hold any collateral over these balances.

Ageing of past due but not impaired

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
60 -90 days	53,954	77,651	53,954	77,651
90 – 120 days	27,977	42,222	27,977	42,222
	81,931	119,873	81,931	119,873

	Economic Entity		Parent Entity	
	2009 $	**2008 $**	**2009 $**	**2008 $**
7. Trade and other receivables (cont'd)				
Movement in the allowance for doubtful debts				
Balance at the beginning of the year	80,441	98,105	80,441	98,105
Impairment losses recognised on receivables	16,375	16,643	16,375	16,643
Amounts written off as uncollectible	(26,096)	(34,217)	(26,096)	(34,217)
Balance at the end of the year	70,720	80,441	70,720	80,441

In determining the recoverability of a trade receivable, the economic entity considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the Committee believes that there is no further credit provision required in excess of the allowance for doubtful debts.

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Ageing of impaired trade receivables				
60 – 90 days	58,835	77,651	58,835	77,651
90 – 120+ days	91,614	121,266	91,614	121,266
	150,449	198,917	150,449	198,917

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
8. Inventories				
Finished goods	-	-	-	-

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
9. Other financial assets				
Share Investments	165,161	191,381	165,161	191,381
Term deposits	5,898,910	12,044,413	5,898,910	12,044,413
Term deposits (Accommodation bonds)	17,906,616	17,064,784	17,906,616	17,064,784
Encumbered bequests held in trust	131,110	124,810	131,110	124,810
	24,101,797	29,425,388	24,101,797	29,425,388

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
10. Property, plant and equipment				
Land and buildings	67,517,932	51,045,442	45,444,739	45,795,442
Building under construction	1,897,768	5,040,481	1,897,768	288,126
Motor vehicles	81,579	106,632	81,579	106,632
Furniture and fittings	2,473,704	1,273,142	2,473,704	1,273,142
Computer equipment	34,235	32,195	34,235	32,195
Motor vehicles under finance lease	92,736	-	92,736	-
	72,097,954	57,497,892	50,024,761	47,495,537

10. Property, plant and equipment (cont'd)

Economic Entity	Land and buildings at fair value $	Buildings under construction $	Motor vehicles $	Furniture and fittings at cost $	Computer equipment $	Motor vehicles under finance $	Total $
Gross carrying amount							
Balance at 1 July 2007	47,840,333	856,876	69,060	1,257,556	39,125	-	50,062,950
Additions	410,315	4,183,605	58,660	313,316	15,527	-	4,981,423
Revaluation increment	3,292,533	-	-	-	-	-	3,292,533
Depreciation expense	(497,739)	-	(21,088)	(297,730)	(22,457)	-	(839,014)
Balance at 30 June 2008	51,045,442	5,040,481	106,632	1,273,142	32,195	-	57,497,892
Transfers	4,752,355	(4,752,355)	-	-	-	-	-
Additions	13,671,831	1,609,642	5,375	1,533,715	25,039	98,503	16,944,105
Net revaluation decrement	(1,435,522)	-	-	-	-	-	(1,435,522)
Depreciation expense	(516,174)	-	(30,428)	(333,153)	(22,999)	(5,767)	(908,521)
Balance at 30 June 2009	67,517,932	1,897,768	81,579	2,473,704	34,235	92,736	72,097,954

Parent Entity	Land and buildings at fair value $	Buildings under construction $	Motor vehicles $	Furniture and fittings at cost $	Computer equipment $	Motor vehicles under finance $	Total $
Gross carrying amount							
Balance at 1 July 2007	47,840,333	856,876	69,060	1,257,556	39,125	-	50,062,950
Transfers to Jewish Care Property SPV Ltd	(6,000,000)	(784,435)	-	-	-	-	(6,784,435)
Additions	410,315	215,685	58,660	313,316	15,527	-	1,013,503
Revaluation increment	4,042,533	-	-	-	-	-	4,042,533
Depreciation expense	(497,739)	-	(21,088)	(297,730)	(22,457)	-	(839,014)
Balance at 30 June 2008	45,795,442	288,126	106,632	1,273,142	32,195	-	47,495,537
Additions	88,900	1,609,642	5,375	1,533,715	25,039	98,503	3,361,174
Net revaluation increment	76,571	-	-	-	-	-	76,571
Depreciation expense	(516,174)	-	(30,428)	(333,153)	(22,999)	(5,767)	(908,521)
Balance at 30 June 2009	45,444,739	1,897,768	81,579	2,473,704	34,235	92,736	50,024,761

	Economic Entity		Parent Entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**

10. Property, plant and equipment (cont'd)

Committees' valuation
The Committee has reviewed the carrying values of land and buildings as at 30 June 2009. In doing so, the Committee has considered the following:

Land and Buildings were valued in two tranches, one as at 30 June 2008 and the second at 30 June 2009 by an independent valuer, Charter Keck Cramer. The valuations were $31.495 million and $45.223 million respectively using the fair value basis. The combined valuations of $21.390 million are in excess of book value of the assets valued.

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

11. Other current assets

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Current				
Prepayments and deposits	63,054	49,133	63,054	49,133
Non-current				
Capitalised interest	-	39,296	-	-

12. Trade and other payables

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Trade payables	2,331,872	2,176,539	2,331,872	2,176,539
Sundry payables and accruals	1,373,016	1,782,155	1,302,482	1,781,655
Resident funds	179,329	205,934	179,329	205,934
	3,884,217	4,164,628	3,813,683	4,164,128

The average credit period on purchases of goods and services is 60 days. No interest is charged on the trade payables for the first 60 days from the date of the invoice. Specific suppliers may choose to charge interest after that period. The continuous monitoring of cash flow ensures that all payables are paid within the credit timeframe.

13. Provisions

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Current				
Employee benefits	4,563,298	4,329,798	4,563,297	4,329,798
Non-current				
Employee benefits	636,701	710,102	636,701	710,102
a) Aggregate employee benefit liability	5,199,999	5,039,900	5,199,998	5,039,900
b) Number of employees at year end	600	585	600	585

		Economic Entity		Parent Entity	
		2009	**2008**	**2009**	**2008**
		$	**$**	**$**	**$**

14. Borrowings

Secured - at amortised cost

Current				
Bank loan	15,334,136	-	-	-
Finance lease liability (refer note 23)	16,850	-	16,850	-
	15,350,986	-	16,850	-
Non-current				
Bank loan	-	1,956,296	-	-
Finance lease liability (refer note 24)	76,398	-	76,398	-
	76,398	1,956,296	76,398	-

The bank loan is secured by a mortgage over the land and buildings of 4 -8 Freeman Street (refer to note 10). The economic entity intends to settle the bank loan liability during the next 12 months. The Economic Entity has a refinancing facility with the bank for a term of 3 years which is available to repay the loan or part thereof.

15. Other Current liabilities

Amounts payable to controlled entities	-	-	428,956	412,956
Deposits held in trust (Accommodation Bonds)	17,906,616	17,064,784	17,906,616	17,064,784
	17,906,616	17,064,784	18,335,572	17,477,740

16. Reserves

General Reserve	(a)	1,369,550	1,369,550	1,369,550	1,369,550
Asset revaluation	(b)	21,416,613	22,989,694	23,678,707	23,739,694
Other reserve	(c)	3,081,092	3,074,794	3,032,266	3,025,968
		25,867,255	27,434,038	28,080,523	28,135,212

(a) General reserve

Balance at beginning and end of financial year	1,369,550	1,369,550	1,369,550	1,369,550

The general reserve is used from time to time to transfer profits from retained profits. There is no policy of regular transfer.

(b) Asset revaluation reserve

Balance at beginning of financial year	22,989,694	19,697,161	23,739,694	19,697,161
Revaluation (decrements)/increments	(1,573,081)	3,292,533	(60,987)	4,042,533
Balance at end of financial year	21,416,613	22,989,694	23,678,707	23,739,694

The asset revaluation reserve arises on the revaluation of land and buildings. Where a revalued land or building is sold that portion of the asset revaluation reserve which relates to that asset, and is effectively realised, is transferred directly to accumulated surplus.

(c) Other reserve

Balance at beginning of financial year	3,074,794	3,074,794	3,025,968	3,025,968
Undistributed reserves	6,298	-	6,298	-
Balance at beginning and end of financial year	3,081,092	3,074,794	3,032,266	3,025,968

	Economic Entity		Parent Entity	
	2009 $	**2008 $**	**2009 $**	**2008 $**
17. Accumulated surplus				
Balance at beginning of financial year	36,483,229	34,160,478	36,210,379	33,887,628
Surplus for the year	1,997,648	2,322,751	1,997,725	2,322,751
Balance at end of financial year	38,480,877	36,483,229	38,208,104	36,210,379
18. Commitments for expenditure				
(a) Capital expenditure commitments				
Disability residential project: 311-313 Glen Eira Road, Caulfield				
Not longer than 1 year	2,402,232	-	2,402,232	-
	2,402,232	-	2,402,232	-
(b) Capital expenditure commitments				
Purchase of property: 4-8 Freeman Street, Caulfield				
Not longer than 1 year	-	10,704,823	-	-
	-	10,704,823	-	-
(c) Other expenditure commitments				
Rental Commitments				
Not longer than 1 year	191,600	187,248	191,600	187,248
Longer than 1 year and not longer than 5 years	14,400	293,846	14,400	293,846
	206,000	481,094	206,000	481,094

Rental commitments relate to 76-78 Kooyong Road, North Caulfield and 83 Glen Eira Road, Caulfield.

Commitments - Montefiore Home 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 fulfil 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 2009.

19. Controlled Entities

		Ownership interest	
Name of entity	**Country of incorporation**	**2009 %**	**2008 %**
Parent entity			
Jewish Care (Victoria) Incorporated	Australia		
Subsidiaries			
Jewish Aid Society Incorporated	Australia	100	100
Jewish Care Property SPV Ltd	Australia	100	100

20. Notes to the cash flow statement

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents 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:

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Cash on hand	9,658	8,170	8,710	7,210
Cash at bank	8,903,289	3,086,349	8,742,847	2,884,392
	8,912,947	3,094,519	8,751,557	2,891,602

20. Notes to the cash flow statement (Cont'd)

(b) Reconciliation of surplus for the year to net cash flows from operating activities

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Surplus for the year	1,997,648	2,322,751	1,997,725	2,322,751
Depreciation and amortisation	908,521	839,014	908,521	839,014
Gain on sale or disposal of non-current assets	(12,000)	-	(12,000)	-
Changes in net assets and liabilities:				
(Increase)/decrease in assets:				
Trade and other receivables	446,051	(286,808)	391,727	(145,343)
Inventories	-	37,714	-	37,714
Other assets	25,374	(36,252)	(13,922)	3,044
Increase/(decrease) in liabilities:				
Trade and other payables	(280,411)	875,332	(350,445)	889,332
Provisions	160,098	168,102	160,098	168,102
	3,245,281	3,919,853	3,081,704	4,114,614

21. Financial instruments

(a) Categories of financial instruments

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Financial assets				
Loans and receivables	1,590,596	2,036,647	1,488,972	1,880,699
Cash and cash equivalents	32,849,583	32,328,526	32,688,193	32,125,609
Held to maturity investments	23,936,636	29,234,007	23,936,636	29,234,007
Available for sale financial assets	165,161	191,381	165,161	191,381
Financial liabilities				
Amortised cost – other financial liabilities	21,790,833	21,229,412	22,149,255	21,641,868
Amortised cost - bank loan	15,334,136	1,956,296	-	-
Finance lease liability	93,248	-	93,248	-

	Economic Entity		Parent Entity	
	2009 $	2008 $	2009 $	2008 $

21. Financial instruments (Con'd)

(b) Financial Risk Management Objective

The Association and the economic entity's management monitors and manages the financial risks relating to the operations of the economic entity through internal analysis to determine any risk exposure. These risks include currency risks related to Claims Conference funding, credit risk, interest rate risk and liquidity risk. The economic entity seeks to minimise the effect of these risks by using derivative financial instruments to hedge these risks exposure.

(c) Market Risk

The economic entity's activities expose it to the financial risks of changes in foreign currency exchange rates (Claims Conference funding) and interest rates. The economic entity enters into specific derivative financial instruments to manage its exposure to these risks including:

- Forward Foreign Exchange Contracts for Claims Conference funding received

- Fixed Maturity Investments for Accommodation Bonds held

The Association has not entered into any forward foreign exchange contract as at 30 June 2009.

(d) Foreign Currency Risk Management

The economic entity undertakes certain transactions denominated in foreign currencies, hence exposure to exchange rate fluctuations. Exchange rate exposures are managed utilising forward foreign exchange contracts where appropriate.

(e) Interest Rate Risk Management

The economic entity is exposed to interest rate risk as it invests at both fixed and variable interest rates. The risk is managed by adopting a conservative approach with regards to long and short-term investment strategies.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 100 basis point increase or a 50 basis point decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

At reporting date, if interest rates had been 100 basis points higher or 50 basis points lower and all other variables were held constant, the economic entity's net profit would decrease by $3,193 and increase by $1,596 (2008: increase by $134,988 and decrease by $67,494). This is mainly attributable to the policy of the Reserve Bank of Australia which moved to decrease interest rates to stimulate the Australian economy.

The economic entity's sensitivity to interest rates has increased during the current period mainly due to an increase of $13,471,088 in borrowings (refer to note 14) and an increase in cash held of $5,818,428 (refer to note 6).

(f) Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the economic entity. The maximum exposure to credit risk, excluding the value of any collateral or other security, at the 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 and notes to the financial report. The economic entity does not have any material risk exposure to any single debtor or group of debtors under financial instruments entered into by the economic entity. The parent entity provides a guarantee over finance provided to a subsidiary up to the amount of $17.85 million.

(g) Liquidity Risk Management

The economic entity manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

21. Financial instruments (cont'd)
(g) Liquidity Risk Management (cont'd)

Liquidity and interest risk tables

The following tables detail the association's and the economic entity's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn based on the undiscounted cash flows of financial liabilities based on the earliest date on which the economic entity can be required to pay. The tables includes both interest and principal cash flows.

Economic Entity	**Weighted average effective interest rate %**	**Less than 1 month**	**1-3 months**	**3 months to 1 year**	**1-5 years**	**5+ years**
2009						
Non-interest bearing		179,329	3,704,888	-	-	-
Variable interest financial instrument	6.5%	1,860	105,579	33,124,136	-	-
		181,189	3,810,467	33,124,124	-	-
2008						
Non-interest bearing		205,934	3,958,694	-	-	-
Variable interest financial instrument	9.2%	-	200,000	16,864,784	1,956,296	-
		205,934	4,158,694	16,864,784	1,956,296	-

Parent Entity	**Weighted average effective interest rate %**	**Less than 1 month**	**1-3 months**	**3 months to 1 year**	**1-5 years**	**5+ years**
2009						
Non-interest bearing		179,329	3,634,354	-	-	-
Variance interest financial instrument	6.5%	1,860	220,457	17,789,988	-	-
		181,189	3,854,811	17,789,988	-	-
2008						
Non-interest bearing		205,934	3,958,194	-	-	-
Variable interest financial instrument	9.2%	-	200,000	16,864,784	-	-
		205,934	4,158,194	16,864,784	-	

21. Financial instruments (cont'd)

(g) Liquidity Risk Management (cont'd)

The following table details the Association's and the economic entity's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Association/economic entity anticipates that the cash flow will occur in different period.

Economic Entity	Weighted average effective interest rate %	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years
2009						
Non-interest bearing		685,126	165,171	438,690	476,427	-
Variable interest rate instruments	3.7%	9,174,578	23,665,366	-	-	-
		9,859,704	23,830,537	438,690	476,427	-
2008						
Non-interest bearing		504,456	481,551	753,434	537,978	-
Variable interest rate instruments	7.13%	3,270,098	8,627,450	20,422,808	-	-
		3,774,554	9,109,001	21,176,242	537,978	-

Parent Entity	Weighted average effective interest rate %	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years
2009						
Non-interest bearing		582,589	165,137	438,690	9,777,414	-
Variable interest rate instruments	3.7%	9,014,136	23,665,366	-	-	-
		9,596,725	23,830,503	438,690	9,777,414	-
2008						
Non-interest bearing		346,132	440,329	753,434	9,824,428	-
Variable interest rate instruments	7.13%	3,068,141	8,627,450	20,422,808	-	-
		3,414,273	9,067,779	21,176,242	9,824,428	-

The Association does not hold any derivative financial instruments

22. Related party transactions

(a) Transactions with key management personnel

	Salary $	Superannuation $	Total $
i. Key management personnel compensation	587,662	52,890	640,552

ii. Committee of Management

Details of the Committee of Management are listed below. All members of the Committee of Management held office during the period in an honorary capacity.

Committee of Management

Mrs Nina Bassat AM
Mr Andrew Blode
Mr David Brous
Mr Jeffrey Appel
Ms Laura Davis
Mr Farrel Meltzer
Prof Frank Oberklaid OAM
Assoc Prof Leslie Reti
Mr Michael Schoenfeld
Mr Andrew Schwartz
Mrs Robyne Schwarz
Mrs Louse Zygier
Dr Joel Freeman
Mr Daniel Jenshel
Mr Bruce Rosengarten

(b) Transactions with other related parties

Other related parties include:

- Subsidiary: Jewish Aid Society Incorporated
- Subsidiary: Jewish Care Property SPV Ltd

During the financial year, the following transactions occurred between the company and its other related parties:

- Jewish Care (Vic) Inc provided administration services to Jewish Aid Society Inc for the financial year with administration charge of $15,987.
- No transactions have taken place between Jewish Care (Vic) Inc and Jewish Care Property SPV Ltd during the year. The land and buildings and the loan liability will be transferred from Jewish Care Property SPV Ltd to Jewish Care (Vic) Inc during the next 12 months upon completion of legal requirements.

During the previous financial year, the following transactions occurred between the Association and its other related parties:

- Jewish Care (Vic) Inc transferred land and building construction cost of $ 6 million and $ 3.193 million of the property on 4-8 Freeman Street, Caulfield to Jewish Care Property SPV Ltd. The land and building of 4 -8 Freeman Street will be transferred to Jewish Care (Vic) Inc when the construction of building on the site fully completed. Jewish Care (Vic) Inc provides a guarantee over finance provided to Jewish Care Property SPV Ltd up to the amount of $ 17.85 million.
- Jewish Care (Vic) Inc provided administration services to Jewish Aid Society Inc for the financial year with administration charge of $14,448.

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$

22. Related parties transactions (cont'd)

The following balances arising from transactions between the company and its other related parties are outstanding at reporting date:

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
(i) Amounts receivable from controlled entities:				
Jewish Aid Society Incorporated	-	-	107,762	91,775
Jewish Care Property SPV Ltd	-	-	9,193,225	9,193,225
(ii) Amounts payable to controlled entities:				
Jewish Aid Society Incorporated	-	-	428,956	412,956
Jewish Care Property SPV Ltd	-	-	-	-

All amounts advanced to or payable to related parties are unsecured and are subordinate to other liabilities. The amounts outstanding will be settled in cash. No guarantees have been given or received. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties. Transactions and balances between the association and its subsidiaries were eliminated in the preparation of consolidated financial statements of the economic entity.

23. Finance Leases

Leasing arrangements

Finance leases relate to two motor vehicles with lease terms of 3 years. The Economic Entity has options to purchase the equipment for a nominal amount at the conclusion of the lease agreements.

	Minimum future lease payments				PV of Minimum future lease payments			
	Economic Entity		Parent Entity		Economic Entity		Parent Entity	
	2009	2008	2009	2008	2009	2008	2009	2008
	$	$	$	$	$	$	$	$
No later than 1 year	22,317	-	22,317	-	16,850	-	16,850	-
Later than 1 year and not later than 5 years	83,372	-	83,372	-	76,398	-	76,398	-
Later than five years	-	-	-	-	-	-	-	-
Minimum future lease payments	105,689	-	105,689	-	93,248	-	93,248	-
Less future finance charges	(12,441)	-	(12,441)	-	-	-	-	-
Present value of minimum lease payments	93,248	-	93,248	-	93,248	-	93,248	-
Included in the financial statements as: (note 14)								
Current borrowings					16,850	-	16,850	-
Non-current borrowings					76,398	-	76,398	-
					93,248	-	93,248	-

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
24. Auditor of the parent entity				
Audit or review of the financial report	64,250	60,250	64,250	60,250
Audit or review of other financial reports and grants	22,750	32,650	22,750	32,650
Other services	5,750	5,250	5,750	5,250
	92,750	98,150	92,750	98,150

The auditor of Jewish Care (Victoria) Incorporated is Deloitte Touche Tohmatsu.

25: Segment Reporting

Economic Entity and Parent Entity	**Residential Services**		**Community Services**		**Total**	
	2009 $	**2008 $**	**2009 $**	**2008 $**	**2009 $**	**2008 $**
Revenue from ordinary activities						
Accommodation charges	6,286,588	6,169,154	1,151,132	979,620	7,437,720	7,148,774
Subsidies- Government subsidies	13,148,120	12,677,890	6,737,218	5,882,940	19,885,338	18,560,830
Subsidies - External	-	-	1,604,047	1,308,732	1,604,047	1,308,732
- Others	-	-	-	-	-	-
Investment	-	-	-	-	-	-
- Profit on sale of property, plant and equipment	-	-	-	-	12,000	-
Proceeds from sale of bed licences	-	-	-	-	-	-
Other revenues from ordinary activities (4)	-	-	-	-	12,296,320	11,147,399
					41,235,425	38,165,735
Expense from ordinary activities						
Employee benefits expenses	(15,201,792)	(14,418,010)	(7,087,356)	(6,297,729)	(22,289,148)	(20,715,739)
Depreciation and amortisation expenses	-	-	-	-	(908,521)	(839,014)
External services	-	-	-	-	-	-
Food expenses	(3,867,460)	(3,732,437)	(165,541)	(134,717)	(4,033,001)	(3,867,154)
Repairs and maintenance	(1,119,628)	(1,120,378)	(190,434)	(163,501)	(1,310,062)	(1,283,879)
Medical and other supplies	(677,307)	(723,332)	(28,546)	(22,499)	(705,853)	(745,831)
Consulting expenses	(29,377)	(118,907)	(201,018)	(79,108)	(230,395)	(198,015)
Energy, rates and insurance	(579,554)	(544,540)	(79,439)	(63,879)	(658,993)	(608,419)
Office administration expenses	(312,021)	(300,155)	(400,531)	(341,265)	(712,552)	(641,420)
Laundry expenses	(418,492)	(390,637)	(1,202)	(1,489)	(419,694)	(392,126)
Security expenses	(215,146)	(199,368)	-	-	(215,146)	(199,368)
Rental expenses	-	-	(190,238)	(188,661)	(190,238)	(188,661)
Emergency services	-	-	(266,478)	(92,721)	(266,478)	(92,721)
Client and resident costs	(67,991)	(58,683)	(958,184)	(843,261)	(1,026,175)	(901,944)
Travel and motor vehicle expenses	(7,311)	(10,345)	(100,702)	(100,779)	(108,013)	(111,124)
Sundry Expenses	(9,825)	(17,951)	(85,681)	(71,269)	(95,506)	(89,220)
Marketing and public relations expenses	-	-	-	-	(419,142)	(114,759)
Fundraising expenditure	-	-	-	-	(1,048,631)	(839,799)
Head office expenses	-	-	-	-	(4,600,151)	(4,013,791)
					39,237,699	35,842,984
Profit before and after income tax expense					1,997,725	2,322,751

25. Segment reporting (cont'd)	Residential Services		Other Services		Total	
	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $
Current assets						
Cash and cash equivalents	3,246,452	1,241,302	5,666,495	1,853,217	8,912,947	3,094,519
Trade and other receivables	484,113	346,670	1,106,483	1,689,977	1,590,596	2,036,647
Inventories	-	-	-	-	-	-
Financial assets	19,035,037	18,553,408	5,066,760	10,871,980	24,101,797	29,425,388
Other assets	25,222	28,439	37,832	20,694	63,054	49,132
Total current assets	22,790,824	20,169,819	11,877,570	14,435,869	34,668,394	34,605,687
Non-current assets						
Property, plant and equipment	49,214,805	37,518,178	22,883,149	19,979,714	72,097,954	54,497,892
Other	-	39,296	-	-	-	39,296
Total non-current assets	49,214,805	37,557,474	22,883,149	19,979,714	72,097,954	57,537,188
Total assets	72,005,629	57,727,293	34,760,719	34,415,583	106,766,348	92,142,875
Current liabilities						
Trade and other payables	2,433,816	2,676,289	1,450,401	1,488,339	3,884,217	4,164,628
Provisions	3,212,347	3,047,368	1,350,951	1,282,430	4,563,298	4,329,798
Borrowings	15,334,136	-	16,850	-	15,350,986	-
Other liabilities	17,906,616	17,064,784	-	-	17,906,616	17,064,784
Total current liabilities	38,886,915	22,788,441	2,818,202	2,770,770	41,705,117	25,559,210
Non-current liabilities						
Provisions	448,217	499,784	188,484	210,318	636,701	710,102
Borrowings	-	1,956,296	76,398	-	76,398	1,956,296
Total non-current liabilities	448,217	2,456,080	264,882	210.318	713,099	2,666,398
Total liabilities	39,335,132	25,244,521	3,083,084	2,981.089	42,418,216	28,225,608
Net assets	32,670,497	32,482,772	31,677,635	31,434,495	64,348,132	63,917,267
Equity						
Reserves	10,175,239	11,687,331	15,692,016	15,746,707	25,867,255	27,434,038
Accumulated funds	22,495,258	20,795,441	15,985,619	15,687,788	38,480,877	36,483,229
Total equity	32,670,497	32,482,772	31,677,635	31,434,495	64,348,132	63,917,267

My Community. My Choice.

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