

**THE ANGLICAN CHURCH OF AUSTRALIA – DIOCESE OF WILLOCHRA
THE WILLOCHRA HOME**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	\$ 2010	\$ 2009
Income			
Fees	2	564,844	498,571
Grants	3	1,061,039	1,088,422
Interest	4	35,413	19,714
Gifts	5	6,789	16,505
Other	6	12,819	1,619
Total income from Ordinary Activities		1,680,905	1,624,831
Expenses			
Accounting & Audit	7	10,638	15,201
Administration	8	47,603	41,972
Bank Fees	9	1,047	911
Interest & Borrowings	10	26,078	28,483
Depreciation	11	39,619	36,780
Employment Costs	12	1,242,724	1,144,443
Food & Catering	13	98,039	102,320
Rates & Utilities	14	65,903	59,395
Management Fee	15	24,000	30,700
Medical Expenses	16	54,839	34,444
Motor Vehicle Costs	17	5,104	4,196
Home Maintenance	18	77,071	61,415
Residents Activities	19	5,296	2,438
Total Expenditure from Ordinary Activities		1,697,959	1,562,698
		(17,054)	62,133

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes

**THE ANGLICAN CHURCH OF AUSTRALIA – DIOCESE OF WILLOCHRA
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**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	2010 \$	2009 \$
Current Assets			
Cash & cash equivalents	20	44,196	4,092
Receivables	21	6,713	-
Other		-	-
Total current assets		50,908	4,092
Non-current assets			
Property, plant and equipment	22	4,139,281	4,167,664
Total non-current assets		4,139,281	4,167,664
Total assets		4,190,190	4,171,756
Current Liabilities			
Payables	23	2,208,085	2,204,845
Provisions	24	94,791	71,990
Total current liabilities		2,302,876	2,276,835
Non-current liabilities			
Provisions	25	75,852	66,405
Total non-current liabilities		75,852	66,405
Total Liabilities		2,378,728	2,343,240
Net Assets		1,811,461	1,828,515
Equity			
Accumulated Funds	26	1,022,935	960,801
Land Revaluation		135,000	135,000
Building Revaluation		670,581	670,581
Surplus (deficit) for the year		(17,054)	62,133
Total Equity		1,811,461	1,828,515

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**THE ANGLICAN CHURCH OF AUSTRALIA – DIOCESE OF WILLOCHRA
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
Cash flows from Operating Activities:			
Cash Inflows from Operating Activities		682,740	526,047
Government Grants		1,061,039	1,088,422
Payments to suppliers and employees		(1,604,901)	(1,570,198)
Interest Paid		(26,078)	(28,483)
Interest received		35,413	19,714
		<hr/>	<hr/>
Net cash provided by (used in) operating activities	20(b)	<u>148,213</u>	<u>35,502</u>
Cash flows from Investing Activities:			
Proceeds from sale of property, plant and equipment			
Payment for property, plant and equipment		<u>(11,236)</u>	<u>(39,871)</u>
Net cash provided by (used in) investing activities		<u>(11,236)</u>	<u>(39,871)</u>
Cash flows from Financing Activities:			
Accommodation Bonds Received		300,000	245,625
Repayment of Accommodation Bonds		(277,325)	(500,942)
Loan from Diocese		<u>(119,549)</u>	<u>229,329</u>
Net cash provided by (used in) financing activities		<u>(96,874)</u>	<u>(25,988)</u>
Net increase (decrease) in cash		40,104	(30,357)
Cash at the beginning of the financial year		4,092	34,449
		<hr/>	<hr/>
Cash at the end of the financial year	20	<u><u>44,196</u></u>	<u><u>4,092</u></u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

THE ANGLICAN CHURCH OF AUSTRALIA – DIOCESE OF WILLOCHRA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Associations Incorporations Act 1985.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. The Willochra Home – a service of The Synod of the Anglican Church of Australia in the Diocese of Willochra Incorporated - (The Willochra Home) complies with International Financial Reporting Standards (IFRS) except that it has elected to apply the relief provided to not-for-profit entities in respect of:

- (a) disclosure requirements and revaluations per asset class in accordance with AASB 116; and
- (b) the recognition of grant revenue in accordance with AASB 1004.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities, certain classes of property, plant and equipment and investment property (where applicable).

b. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised as follows:

Investment:

Distributions from the Pooled Investments Fund of the Diocese of Willochra are recognised as income when declared.

Interest:

Interest income is recognised on an accrual basis.

Grant income:

The Association complies with Accounting Standard AASB 1004 which requires grants received or receivable to be recognised immediately as revenue when the Association obtains control or the right to receive the grant.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

c. Receivables and payables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Receivables are due for settlement, no more than 60 days from the date of recognition.

Collectability of receivables is reviewed on an on-going basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that The Willochra Home will not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

Payables, including accruals not yet billed, represent liabilities for goods and services provided to The Willochra Home prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

d. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, the trustees working funds and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. (Bank overdrafts or loans are shown within borrowings in current liabilities on the balance sheet where applicable).

e. Employee benefits

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in provisions – employee entitlements (current) in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid on the basis of current wage and salary rates when the liabilities are settled.

No liability has been recognised for sick leave as it does not vest in the employee and it is not considered that any sick leave taken will incur The Willochra Home any additional costs.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels (based on a 3% per annum increase in wage and salary rates over each of the next 10 years), experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

e. Employee benefits continued

(iii) Retirement benefit obligations

Contributions are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Superannuation benefits are provided for staff at the applicable rate applying under the Superannuation Guarantee (Administration) Act 1992, currently 9% of remuneration paid. Staff contributions are paid to the fund of the individual staff member's choice.

f. Investments and other Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(i) Loans and receivables

The Willochra Home assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities (where applicable) or deposits classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(ii) Trade and other payables

Trade and other payables, including accruals, are recorded initially at fair value, and subsequently at amortised cost. Trade and other payables are non-interest bearing.

(iii) Accommodation Bonds

Accommodation bonds are non-interest bearing deposits made by aged care facility residents to the group upon their admission to low care and extra service accommodation. The liability for accommodation is carried at the amount that would be payable on exit of the resident. This is the amount received on entry of the resident less deductions for fees and retentions pursuant to the Aged Care Act 1997. Accommodation bonds are classified as current liabilities as the group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The obligation to settle could occur at any time. These amounts have been included in payables.

Once a refunding event occurs the receivable becomes interest bearing. The interest rate varies according to the agreement and is recognised on an accrual basis over the period it is earned.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

g. Property, plant and equipment

Land and buildings are shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at 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.

The Willochra Home revalued the land and building as at 30 June 2008 at fair value and do not believe there is any impairment on that value.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Items with a capital value of less than \$1000 are expenses in the year of acquisition.

Increases in the carrying amounts arising on revaluation of land and buildings are credited to the property revaluation reserve in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in the profit and loss. Decreases that reverse previous increases of the same class of asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class of asset; all other decreases are charged to the income statement.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

- Buildings 40 years
- Computers and other equipment 3 years
- Office furniture 5 years
- Motor vehicles 5 years

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 (note 1(j)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, it is The Willochra Home policy to transfer the amounts included in other reserves in respect of those assets to accumulated funds.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

h. Impairment of assets

Assets that have an indefinite useful life (if applicable) are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

i. Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available for sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by The Willochra Home is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (if applicable) is determined using valuation techniques, for example the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to The Willochra Home for similar financial instruments.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

j. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless The Willochra Home has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

k. Goods and Services Tax

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 or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

l. Resident Loans

Resident loans are subject to the Aged Care Act 1997 legislation.

Resident Loans – Aged Care Act 1997

Interest free loans which are recorded at fair value, as a current liability in the balance sheet.

Retentions are brought to account as revenue in the income statement. Resident loans are recognised upon entry of the resident. Interest is charged from the date of entry until the loans are paid, at rates allowed by the Aged Care Act 1997.

m. Segment Information

The Willochra Home is operated by The Synod of the Anglican Church of Australia in the Diocese of Willochra Incorporated as a separate business unit. The Home is not a separately incorporated body.

The Willochra Home operates in a single geographic segment, South Australia and a single business segment, the provision of Aged Care facilities.

The Willochra Home delivers only residential aged care services and this General Purpose Financial Report therefore relates only to such operations.

2. FEE INCOME

The Willochra Home receives fee revenue from its residents on a fortnightly basis. These are accounted for on an accrual basis and reviewed for collectability annually. Any amounts that are deemed collectable and are outstanding are shown in sundry debtors.

Under the terms of agreement with the residents, The Willochra Home deducts specified amounts on a periodical basis from accommodation bonds.

**THE ANGLICAN CHURCH OF AUSTRALIA – DIOCESE OF WILLOCHRA
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

		2010	2009
		\$	\$
2. Fees Income			
	Residents Fees	495,174	433,142
	Residents Accommodation Charge	15,535	13,390
	Income From Residents Deposits	<u>54,136</u>	<u>52,039</u>
		564,844	498,571
		2010	2009
		\$	\$
3. Grants Received			
	Personal Care Subsidy	<u>1,061,039</u>	<u>1,088,422</u>
		1,061,039	1,088,422
		2010	2009
		\$	\$
4. Interest			
	Interest Received	<u>35,413</u>	<u>19,714</u>
		35,413	19,714
		2010	2009
		\$	\$
5. Gifts			
	Gifts	1,789	3,744
	AET Discretionary Charitable Trusts	5,000	5,000
	Auxiliary Gifts	-	3,330
	Fundraising	<u>-</u>	<u>4,431</u>
		6,789	16,505
		2010	2009
		\$	\$
6. Other			
	Training Income	6,480	1,619
	Water Audit	<u>6,339</u>	<u>-</u>
		12,819	1,619
		2010	2009
		\$	\$
7. Accounting & Audit			
	Accounting Fees	2,500	3,307
	Audit Fees	<u>8,138</u>	<u>11,894</u>
		10,638	15,201

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**NOTES TO THE FINANCIAL STATEMENTS
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		2010	2009
		\$	\$
8. Administration			
	Accreditation	7,139	1,795
	Advertising	1,060	95
	Fundraising Costs	50	327
	Insurance Etc.	19,689	24,381
	Legal Fees	-	218
	Papers & Stationery	9,738	6,395
	Photocopier Costs	830	1,104
	Postage & Freight	398	380
	Subscriptions	6,958	5,321
	Telephone	1,456	1,386
	Travel	284	571
		<u>47,603</u>	<u>41,972</u>
		2010	2009
		\$	\$
9. Bank Fees			
	Bank Fees	1,047	911
		<u>1,047</u>	<u>911</u>
		2010	2009
		\$	\$
10. Interest & Borrowings			
	Interest Expense	26,078	28,483
		<u>26,078</u>	<u>28,483</u>
		2010	2009
		\$	\$
11. Depreciation			
	Depreciation Expense	39,619	36,780
		<u>39,619</u>	<u>36,780</u>
		2010	2009
		\$	\$
12. Employment Costs			
	Annual Leave	22,801	23,059.76
	Long Service Leave	9,447	7,825.89
	Salaries & Wages	921,226	826,360.12
	Superannuation	88,052	86,428.63
	Tax PAYG	134,736	141,534.00
	Training Costs	3,540	8,485.37
	Workcover	62,922	50,749.55
		<u>1,242,724</u>	<u>1,144,443</u>
		2010	2009
		\$	\$
13. Food & Catering			
	Dairy Products	8,824	9,176
	House Keeping	70,558	72,965
	Bakery Products	5,008	6,310
	Butcher Products	11,545	11,398
	Fish Products	2,105	2,470
		<u>98,039</u>	<u>102,320</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

		2010	2009
		\$	\$
14. Rates & Utilities			
	Electricity	48,764	49,205
	Fees and Levies	1,266	404
	Gas Consumption	10,361	6,900
	Water Rates	5,512	2,886
		<u>65,903</u>	<u>59,395</u>
		2010	2009
		\$	\$
15. Management Fee			
	Management Fees	24,000	30,700
		<u>24,000</u>	<u>30,700</u>
		2010	2009
		\$	\$
16. Medical Expenses			
	Medical Supplies	47,822	26,492
	Webster Packs	6,351	6,647
	Cosmetic Care	665	1,305
		<u>54,839</u>	<u>34,444</u>
		2010	2009
		\$	\$
17. Motor Vehicle Costs			
	Vehicle Expenses	5,104	4,196
		<u>5,104</u>	<u>4,196</u>
		2010	2009
		\$	\$
18. Home Maintenance			
	Cleaning Materials	20,636	12,133
	Maintenance Fire Systems	6,278	2,210
	Maintenance General	37,257	27,296
	New Items	12,900	19,777
		<u>77,071</u>	<u>61,415</u>
		2010	2009
		\$	\$
19. Residents Activities			
	Therapies	5,296	2,438
		<u>5,296</u>	<u>2,438</u>

**THE ANGLICAN CHURCH OF AUSTRALIA – DIOCESE OF WILLOCHRA
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

	2010 \$	2009 \$
20. Cash & Cash Equivalents		
Cash At Bank	44,196	4,092
	44,196	4,092

Note 20b: Cash Flow Information

	2010 \$	2009 \$
(a) Cash at the end of the financial year as shown in the Statement of Cash flows is reconciled to the related items in the Balance Sheet as follows:		
Cash deposits with banks	44,196	4,092
Cash on hand		
Pooled Cash		
	44,196	4,092
Balance per Statement of Cash flows	44,196	4,092
(b) Reconciliation of Cash Flow from Operations with surplus from operating activities		
Operating surplus	(17,054)	62,133
Non-cash flows in operating surplus		
Depreciation	39,619	36,780
Accomodation bonds	(54,136)	(52,039)
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(6,713)	9,352
(Increase)/decrease in other current assets		
Increase/(decrease) in trade and other payables	154,249	(51,611)
Increase/(decrease) in employee entitlements	32,248	30,887
Cash Flows from operations	148,213	35,502

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

		2010	2009
		\$	\$
21. Receivables			
	Sundry Debtors	6,713	0
		<u>6,713</u>	<u>-</u>
		2010	2009
		\$	\$
22. Property Plant & Equipment			
	Motor Vehicle	57,888	57,888
	Accumulated depreciation	<u>(31,578)</u>	<u>(23,940)</u>
		26,310	33,948
	Plant & Equipment	199,526	193,557
	Accumulated depreciation P&E	<u>(142,132)</u>	<u>(111,173)</u>
		57,394	82,384
	Computer Equipment	14,102	6,594
	Accumulated Depreciation	<u>(8,955)</u>	<u>(5,694)</u>
		5,147	901
	Land at Valuation June 2008	385,000	385,000
	Buildings at Valuation June 2008	3,665,430	3,665,430
		<u>4,050,430</u>	<u>4,050,430</u>
		<u>4,139,281</u>	<u>4,167,664</u>
		2010	2009
		\$	\$
23. Current Liabilities Payables			
	Sundry Creditors	307,591	4,830
	Accruals	51,626	39,118
	Accommodation Bonds	1,415,211	1,607,691
	Loan from the Diocese	<u>433,657</u>	<u>553,206</u>
		2,208,085	2,204,845
		2010	2009
		\$	\$
24. Current Liabilities Provisions			
	Accrued Annual Leave	94,791	71,990
		<u>94,791</u>	<u>71,990</u>
		2010	2009
		\$	\$
25. Non Current Liabilities Provisions			
	Long Service Leave	75,852	66,405
		<u>75,852</u>	<u>66,405</u>
		2010	2009
		\$	\$
26. Accumulated Funds			
	Accumulated Funds	1,022,935	960,801
	Building Reserve	670,581	670,581
	Land Reserve	<u>135,000</u>	<u>135,000</u>
		1,828,515	1,766,382

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

27. Financial Risk Management

The entity's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

The entity does not have any derivative instruments at 30 June 2010.

(a) Financial Risk Exposures and Management

The main risks the entity is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect the entity's income or the value of its obligations, and arises on floating rate debt.

The entity's only financial asset subject to floating interest rate risk is cash at bank.

All other receivables and borrowings are non-interest bearing. It is unlikely that a fluctuation or movement in interest rate will have an impact on the entity. Interest rate risk is minimal.

Foreign currency risk

The entity is not exposed to fluctuations in foreign currencies.

Liquidity risk

Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they fall due.

The Synod of the Anglican Church of Australia in the Dioceses of Willochra Incorporated unreservedly guarantees the entity the repayment of the Balance of Entrance Fees and declares that sufficient moneys are held in reserve to enable repayment "At Call". The entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained. Given the entity's liquidity position, the risk is minimal.

Credit risk

Credit risk is the risk of financial loss to the entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The entity has exposure to credit risk through its receivables to the extent that there is unpaid interest at balance sheet date.

At year end the entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity.

Price risk

The association is not exposed to any material commodity price risk.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

27. Financial Risk Management continued

(b) Financial Instrument Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Weighted Average Effective Interest Rate	Floating Interest Rate \$	0 to 5 Years \$	Interest Bearing \$	Non-Interest Bearing \$	Total \$
2010	%					
Cash	0%	44,196	-	-	-	44,196
Receivables		-	-	-	6,713	6,713
Total Financial Assets		44,196	-	-	6,713	50,909
Financial Liabilities						
Sundry Creditors & Accruals		-	-	-	2,208,084	2,208,084
Diocesan Loans	6.75%	-	-	433,657	-	433,657
Total Financial Liabilities		-	-	433,657	2,208,084	2,641,741
2009						
Financial Assets						
Cash	0%	4,092	-	-	-	4,092
Receivables		-	-	-	-	-
Total Financial Assets		4,092	-	-	-	4,092
Financial Liabilities						
Sundry Creditors & Accruals		-	-	-	2,204,845	2,204,845
Diocesan Loans	5.00%	-	-	553,206	-	553,206
Total Financial Liabilities		-	-	553,206	2,204,845	2,758,051

28. Financial Instruments

Credit Risk Exposure

The credit risk on financial assets of the entity, which have been recognised in the balance sheet, is generally the carrying amount. No provision for doubtful debts is required or recorded.

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

29. Sensitivity Analysis

(a) Price Risk

Willochra Home does not hold any assets which are subject to price risk

(b) Interest Rate Risk

This sensitivity analysis has assumed that the issuers credit risk rating remains unchanged.

(c) Foreign Exchange Risk

Willochra Home does not hold assets which are subject to foreign exchange risk.

At 30th June 2000 investment is Cash amounted to \$0.00

At 30th June 2010 investment in Cash amounted to \$0.00

30. Net Fair Value of Financial Assets and Liabilities

The net fair value of financial assets and financial liabilities of the entity approximates their carrying value.

THE ANGLICAN CHURCH OF AUSTRALIA – DIOCESE OF WILLOCHRA
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NOTES TO THE FINANCIAL STATEMENTS
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31. Related Party Transactions

The nature of material transactions between The Willochra Home and its related parties are disclosed in the financial statements and notes thereto. The loan payable to the Diocese of Willochra is disclosed in Note 23.

Ultimate responsibility vests with the Diocesan Council in accordance with the Constitution and Regulations.

The following persons held office as members of the Diocesan Council at reporting date:

Ex Officio

The Bishop of Willochra	The Right Reverend Garry Weatherill
The Registrar	Mr Alan Jamieson
The Diocesan Treasurer	Mr Michael Ford
Vicar General/Administrator	The Venerable Michael Hillier
The Archdeacon of Flinders	The Venerable Prue O'Donovan
The Archdeacon of Eyre	The Venerable Brian Jeffries

Elected Members

Three Clergy

The Reverend David McDougall
The Reverend Flo Walters
The Reverend Wendy Cooper

Six Lay Persons

Mr Tim Butler
Mrs Sally Lightburn
Mrs Rosalie Yeend
Mrs Rosemary Eichner
Mr Maurice Penn
Mr Chris Watson

The governance of The Willochra Home is delegated to The Board of Management who report to The Diocesan Council.

The following persons held office as members of the board during the reporting period:

The Registrar

The Bishop of Willochra	The Right Reverend Garry Weatherill
The Registrar	The Reverend Trevor Briggs [until 5th May 2010] Alan Jamieson
The Residential Care Manager	Ms Jo Vincent

Bishop's Appointees

The Reverend Flo Walters

Diocesan Council Appointees

Mrs Julie Price (Chair)
Mr Roger Cox
Mr Peter McGarry
Mrs Bev Clements
Mrs Diane Wilton
Mrs Dawn Hildebrandt

Staff Delegate

Mrs Sue Fusco

Auxiliary Delegate

Vacant

32. Income Tax

The Home is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

33. Remuneration of Auditors

Remuneration for the audit of the financial reports of The Willochra Home was carried out by BDO(SA) and has been accrued in the accounts for the financial year and amounts to \$8,138.

No other services were carried out by BDO(SA).

34. Events after Balance Sheet Date

No events have occurred since 30 June 2010 that will affect the information disclosed in this financial report.