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AUSTRALIAN FINNISH REST HOME ASSOCIATION INC
AUSTRALIAN SUOMALAINEN LEPOKOTIYHDISTYS



ANNUAL FINANCIAL REPORT

2015-2016

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Australian Finnish Rest Home Association Incorporated

A.B.N. 26 587 653 803

Committee's Report

For The Year Ended 30 June 2016

Your committee members submit the financial report of Australian Finnish Rest Home Association Incorporated for the financial year ended 30 June 2016.

Committee Members

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

Dr Hannele Nupponen	-	President
Christine Borthwick	-	Vice-President
Alan Gough	-	Treasurer
Salme Durbin	-	Secretary

Other Members -

Tuula Kokkonen

Leila Kivikko

Jouni Juntunen

Marja-Liisa Sutinen

Helena Curran (elected 20/9/15)

Kay Gilligan (elected 20/9/15)

Margit Laitila (elected 20/9/15)

Varpu Pesonen (elected 20/9/15)

Kari Jortikka (resigned 20/9/15)

Merja Wilhelmsson (resigned 20/9/15)

Ilpo Nurmi (resigned 20/9/15)

Public officer

Jouni Juntunen	-	Public Officer
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Principal Activities

The principal activities of the association during the financial year were:

- to provide facilities to members of the association;
- to provide services in the aged care sector including residential aged care, community aged care, day respite and retirement living.

Significant Changes


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


Operating Result

The Profit/(loss) from ordinary activities after providing for income tax amounted to

Year ended	Year ended
30 June 2016	30 June 2015
\$	\$
(379,472)	69,555

Signed in accordance with a resolution of the Members of the Committee on ^{5th} September 2016:


.....
Dr Hannele Nupponen - President


.....
Alan Gough - Treasurer

Australian Finnish Rest Home Association Incorporated
A.B.N. 26 587 653 803
Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
Revenue	2	6,021,299	5,589,464
<u>Expenses</u>			
Kitchen & Café Expenses		(245,915)	(198,225)
Cleaning		(147,155)	(168,301)
Consultants Fees & Professional Services		(192,774)	(143,292)
Employee benefits expenses		(4,333,351)	(3,807,610)
Insurance		(27,660)	(26,074)
Medical Expenditure		(61,877)	(121,611)
Motor Vehicle & Travel Expenses		(26,383)	(27,153)
Repairs and Maintenance		(102,745)	(89,205)
Seminars, Conferences & Staff Training		(63,415)	(61,207)
Telephones		(26,502)	(26,031)
Utilities (Rates, Gas & Electricity)		(173,412)	(140,847)
Capital Gains paid to Retirement Village residents on exit		(115,275)	--
Depreciation and amortization expense		(508,970)	(419,824)
Other expenses from ordinary activities		(375,337)	(290,529)
Current Year Surplus/(Loss) before income tax		(379,472)	69,555
Income tax expense	1(a)	--	--
Net Current Year Surplus/(Loss)		<u>(379,472)</u>	<u>69,555</u>
Other comprehensive income:		---	---
Total comprehensive income attributable to members of Australian Finnish Rest Home Association Incorporated		<u>(379,472)</u>	<u>69,555</u>

The accompanying notes form part of these financial statements.

Australian Finnish Rest Home Association Incorporated
A.B.N. 26 587 653 803
Statement of Financial Position
As At 30 June 2016

	Note	2016 \$	2015 \$
Current Assets			
Cash and cash equivalents	5	4,899,297	4,606,203
Trade and other receivables	6	198,565	256,588
Inventories	7	6,660	--
Other current assets	8	<u>51,008</u>	<u>36,178</u>
Total Current Assets		<u>5,155,530</u>	<u>4,898,969</u>
Non-Current Assets			
Property, plant and equipment	9	<u>15,744,627</u>	<u>15,141,930</u>
Total Non-Current Assets		<u>15,744,627</u>	<u>15,141,930</u>
Total Assets		<u>20,900,157</u>	<u>20,040,899</u>
Current Liabilities			
Trade and other Payables	10	518,984	988,039
Provisions	11	339,752	329,407
Other current liabilities	12	<u>9,223,376</u>	<u>7,522,431</u>
Total Current Liabilities		<u>10,082,112</u>	<u>8,839,877</u>
Non-Current Liabilities			
Provisions	11	<u>64,185</u>	<u>67,690</u>
Total Non-Current Liabilities		<u>64,185</u>	<u>67,690</u>
Total Liabilities		<u>10,146,297</u>	<u>8,907,567</u>
Net Assets		<u>10,753,860</u>	<u>11,133,332</u>
Equity			
Retained earnings/(Accumulated losses)		(505,500)	(126,028)
Reserves	13	<u>11,259,360</u>	<u>11,259,360</u>
Total Equity		<u>10,753,860</u>	<u>11,133,332</u>

The accompanying notes form part of these financial statements.

Australian Finnish Rest Home Association Incorporated
A.B.N. 26 587 653 803
Statement of Changes in Equity
For the year ended 30 June 2016

Note	Retained Earnings/ (Accumulated losses)	Other Reserves	Total
	\$	\$	\$
Balance at 30 June 2014	<u>(195,583)</u>	<u>11,259,360</u>	<u>11,063,777</u>
<i>Total Comprehensive Income</i>			
Net profit/(loss) attributable to the association	<u>69,555</u>	<u>--</u>	<u>69,555</u>
Balance at 30 June 2015	<u>(126,028)</u>	<u>11,259,360</u>	<u>11,133,332</u>
<i>Total Comprehensive Income</i>			
Net profit/(loss) attributable to the association	<u>(379,472)</u>	<u>--</u>	<u>(379,472)</u>
Balance at 30 June 2016	<u>(505,500)</u>	<u>11,259,360</u>	<u>10,753,860</u>

The accompanying notes form part of these financial statements.

Australian Finnish Rest Home Association Incorporated

A.B.N. 26 587 653 803

Statement of Cash Flows

For the year ended 30 June 2016

	2016 \$	2015 \$
Cash Flow From Operating Activities		
Receipts from Fees	1,408,045	1,316,481
Receipts from Government	4,029,533	3,791,384
Interest received	125,434	195,865
Receipts from others	168,079	81,405
Payments to Suppliers and employees	(6,287,517)	(4,278,619)
Net cash provided by/(used in) operating activities (note 18)	<u>(556,426)</u>	<u>1,106,516</u>
Cash Flow From Investing Activities		
Proceeds from sale of property, plant and equipment	545	--
Payments for property, plant & equipment	(1,111,667)	(1,922,685)
Net cash provided by/(used in) by investing activities	<u>(1,111,122)</u>	<u>(1,922,685)</u>
Cash Flow From Financing Activities		
Payment of Borrowings	--	--
Increase/(Decrease) Accommodation Bonds	1,631,342	(112,874)
Increase/(Decrease) in Entry Contributions	329,300	--
Net cash provided by/(used in) financing activities	<u>1,960,642</u>	<u>(112,874)</u>
 Net increase (decrease) in cash held	 293,094	 (929,043)
Cash at the beginning of the year	<u>4,606,203</u>	<u>5,535,246</u>
 Cash at the end of the year (note 5)	 <u>4,899,297</u>	 <u>4,606,203</u>

The accompanying notes form part of these financial statements.

Australian Finnish Rest Home Association Incorporated

A.B.N. 26 587 653 803

Notes to the Financial Statements

For the year ended 30 June 2016

These financial statements cover Australian Finnish Rest Home Association Incorporated as an individual entity. Australian Finnish Rest Home Association Incorporated is an association incorporated in the Australian Capital Territory under the Associations Incorporations Act 1991.

Note 1a: Summary of Significant Accounting Policies

Significant Accounting Policies

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

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board ('AASB'), the Associations Incorporation Acts 1991 (ACT) and 1981 (Qld) and the Australian Charities and Not-for-Profits Commission Act 2012. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Revenue recognition

Grants

Non-reciprocal grant revenue is recognized in profit or loss when the association obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the incorporated association and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The association receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Rendering of Services

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

Donations

Donations and bequests are recognised as revenue when received.

Australian Finnish Rest Home Association Incorporated
A.B.N. 26 587 653 803
Notes to the Financial Statements
For the year ended 30 June 2016

Interest

Interest revenue is recognized using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

Revenue is measured at the fair value of the consideration received or receivable, and is stated net of the amount of goods and services tax.

(b) Income tax

As the incorporated association is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying Income Tax.

(c) Inventories on Hand

Inventories held for sale are measured at the lower of cost and net realisable value.

(d) Current and Non-Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realized or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realized within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(e) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at-call with financial institutions, other short-term highly liquid investments with original maturities of six months or less, and bank overdrafts.

(f) Trade and other Receivables

Trade and other Receivables include amounts due from members as well as amounts receivable from customers for good or services sold in the ordinary course of business. Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(g) Property, Plant and Equipment

Assets purchased with Grant Funding cannot be used for any other purpose than that stated in the funding agreement and cannot be sold or otherwise disposed of without the permission of the funding body, and a contingent liability may exist in relation to any sale proceeds.

Australian Finnish Rest Home Association Incorporated

A.B.N. 26 587 653 803

Notes to the Financial Statements

For the year ended 30 June 2016

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(h) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Land and Buildings

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses.

Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are recognised against the asset revaluation reserve directly in equity; all other decreases are recognised in profit or loss.

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.

Depreciation

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows.

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

Class of Asset	Depreciation Rate %
Buildings	2.50% - 10.00%
Plant and equipment	2.50% - 40.00%
Furniture & Fittings	7.50% - 38.00%
Motor vehicles	15.00% - 18.75%

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at the end of each reporting date.

Gains and losses on disposals are determined by comparing net proceeds with the carrying amount. These gains and losses are included in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained surplus.

Australian Finnish Rest Home Association Incorporated

A.B.N. 26 587 653 803

Notes to the Financial Statements

For the year ended 30 June 2016

(h) Impairment of Assets

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs of disposal and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

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.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(i) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(j) Employee Benefits

Short-term Employee benefits

Provision is made for the association's obligation for short-term employee benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The association's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of provisions in the statement of financial position.

Other Long-term Employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, duration of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates approximating the terms of the obligations. Any remeasurements of other long-term employee benefit obligations due to changes in assumptions are recognised in profit or loss in the period in which the changes occur.

The association's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the association does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Australian Finnish Rest Home Association Incorporated

A.B.N. 26 587 653 803

Notes to the Financial Statements

For the year ended 30 June 2016

Defined Contribution Superannuation expense

Contributions are made by the Australian Finnish Rest Homes Association Incorporated to defined contribution superannuation funds and expensed in the period in which they are incurred.

(k) Fair Value of Assets and Liabilities

The association measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the association would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximize, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, information is extracted from the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimizes the payments made to transfer the liability, after taking into account transaction costs and transport costs.)

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of an identical or similar financial instrument, by reference to observable market information where identical or similar instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(l) Goods and Services Tax ('GST') and other Similar Taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(m) Economic Dependence

The association is dependent on the Department of Social Services for the majority of its revenue. At the date of this report the Board has no reason to believe the Department will not continue to support the Association.

Australian Finnish Rest Home Association Incorporated
A.B.N. 26 587 653 803
Notes to the Financial Statements
For the year ended 30 June 2016

Note 1b: Critical Accounting Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities and contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgments, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimation of Useful Lives of Assets

The incorporated association determines the estimated useful lives and related depreciation and amortization charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortization charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The incorporated association assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the incorporated association and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Long Service Leave Provision

As discussed in Note 1, the liability for long service leave expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cashflows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Australian Finnish Rest Home Association Incorporated

A.B.N. 26 587 653 803

Notes to the Financial Statements

For the year ended 30 June 2016

Note 2: Revenue and Other Income

	2016	2015
Operating Revenue:	\$	\$
- Resident & Client Fees	1,247,929	1,182,559
- Government Recurrent Grant Revenue	4,044,089	3,764,056
- Amortisation of Capital Grants	30,440	32,910
- Contributions Retained	259,697	215,640
- Donations & Bequests	99,166	7,379
- Membership Fees	4,379	2,962
- Interest Earned	125,434	195,865
Other Income	<u>210,165</u>	<u>188,093</u>
Total Revenue	<u>6,021,299</u>	<u>5,589,464</u>

Note 3: Profit/(Loss) for the Year Expenses

Profit/(Loss) before income tax includes the following specific expenses:

Employee Benefits Expense

Defined contribution superannuation expense	<u>322,894</u>	<u>267,536</u>
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Note 4: Auditors Remuneration

Remuneration of the auditor of the association for:

- audit or review services	22,000	22,000
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Note 5: Cash and cash equivalents

Cash on Hand	1,500	1,000
Cash at Bank	4,779,905	3,601,656
Cash at Bank – Nursing Home Donations (1)	--	887,205
Cash at Bank – Capital Replacement Fund (2)	<u>117,892</u>	<u>116,342</u>
	<u>4,899,297</u>	<u>4,606,203</u>

¹ Cash at Bank – Nursing Home Donations

A separate Term Deposit is held which contains donations made to the improvement of the Nursing Home buildings.

² Capital Replacement Fund

The Retirement Villages Act 1999 required a registered retirement village scheme operator to establish and keep a fund for replacing the retirement village's capital items. This represents restricted monies and no amount standing to the credit of this fund may be applied or used for any other purpose.

Australian Finnish Rest Home Association Incorporated

A.B.N. 26 587 653 803

Notes to the Financial Statements

For the year ended 30 June 2016

Note 6: Trade and Other Receivables	2016	2015
Current Assets	\$	\$
Debtor - Residents	27,007	31,970
Interest Receivable	17,740	16,017
GST Receivable	51,402	114,264
Debtor - Other	<u>102,416</u>	<u>94,337</u>
	<u>198,565</u>	<u>256,588</u>

There are no balances within trade and other receivables that contain assets that are impaired and are past due.

The association has no significant concentrations of credit risk with respect to any single counterparty or group of counterparties. The association is dependent on the Department of Social Services for the majority of its revenue. At the date of this report the Board has no reason to believe the Department will not continue to support the Association.

Note 7: Inventories

Current

At cost- Kitchen stock on hand	<u>6,660</u>	<u>--</u>
	<u>6,660</u>	<u>--</u>

Note 8: Other Assets

Current

Prepayments	<u>51,008</u>	<u>36,178</u>
	<u>51,008</u>	<u>36,178</u>

Australian Finnish Rest Home Association Incorporated

A.B.N. 26 587 653 803

Notes to the Financial Statements

For the year ended 30 June 2016

Note 9: Property, Plant and Equipment

Freehold land:

- At independent valuation	2,100,000	2,100,000
	<u>2,100,000</u>	<u>2,100,000</u>

Buildings:

- At independent valuation	11,158,517	11,158,517
- At cost	3,139,578	2,257,819
- Less: Accumulated depreciation	<u>(1,351,628)</u>	<u>(935,724)</u>
	<u>12,946,467</u>	<u>12,480,612</u>

Capital Works

- At Cost	141,469	141,469
- Less: Accumulated depreciation	<u>(7,461)</u>	<u>(3,925)</u>
	<u>134,008</u>	<u>137,544</u>

Office Equipment, Furniture & Fittings

- At Cost	168,678	150,808
- Less: Accumulated depreciation	<u>(89,238)</u>	<u>(74,520)</u>
	<u>79,440</u>	<u>76,288</u>

Plant and equipment:

- At Cost	1,267,031	1,068,362
- Less: Accumulated depreciation	<u>(795,437)</u>	<u>(729,641)</u>
	<u>471,594</u>	<u>338,721</u>

Motor vehicles:

- At cost	202,428	189,065
- Less: Accumulated depreciation	<u>(189,310)</u>	<u>(180,300)</u>
	<u>13,118</u>	<u>8,765</u>

Total Property, Plant and Equipment

15,744,627 **15,141,930**

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current and previous financial year.

	Land	Buildings	Plant & Equipment	Office Furniture & Equipment	Motor Vehicles	Capital Works in Progress	TOTAL
Balance at 1 July 2015	2,100,000	12,480,612	338,721	76,288	8,765	137,544	15,141,930
Additions	--	881,760	198,672	17,871	13,364	--	1,111,667
Depreciation Expense	--	(415,905)	(65,799)	(14,719)	(9,011)	(3,536)	(508,970)
Disposals	--	--	--	--	--	--	--
Balance at 30 June 2016	2,100,000	12,946,467	471,594	79,440	13,118	134,008	15,744,627

Assets purchased with Grant Funding cannot be used for any other purpose than that stated in the funding agreement and cannot be sold or otherwise disposed of without the permission of the funding body, and a contingent liability may exist in relation to any sale proceeds.

Australian Finnish Rest Home Association Incorporated

A.B.N. 26 587 653 803

Notes to the Financial Statements

For the year ended 30 June 2016

Asset Revaluations

The freehold land and buildings were independently valued at 30 June 2012 by Leary & Partners. The valuation was based on the depreciated replacement cost of the buildings. The critical assumptions adopted in determining the valuation included the estimation of the current construction cost of the buildings, external works and external services and then applying a reduction factor that reflects that proportion of the anticipated life of the village buildings, external works and external services that has already elapsed. The valuation resulted in a revaluation increment of \$4,733,592 being recognized in the revaluation reserve for the year ended 30 June 2012.

Note 10: Trade and Other Payables

	2016	2015
Unsecured	\$	\$
- Trade creditors	339,055	819,130
- GST Payable	36,419	35,014
- Sundry Creditors	127,271	118,355
- Income Received in Advance	<u>16,239</u>	<u>15,540</u>
	<u>518,984</u>	<u>988,039</u>

Note 11: Provisions

Current

Employee Entitlements	339,752	329,407
-----------------------	---------	---------

Non-Current

Employee Entitlements	64,185	67,690
-----------------------	--------	--------

A provision has been recognised for employee benefits relating to long service leave, sick leave and annual leave for employees. The measurement and recognition criteria for employee benefits have been included in Note 1.

Note 12: Other Liabilities

	2016	2015
Current	\$	\$
Residents Funds		
Refundable Accommodation Bonds/Deposits	3,350,634	1,744,331
ILU Occupants' Contributions	<u>5,872,742</u>	<u>5,778,100</u>
	<u>9,223,376</u>	<u>7,522,431</u>

Note 13: Reserves

Asset Revaluation Reserve:

Opening balance at beginning of financial year	11,259,360	11,259,360
Movement during the financial year	---	---
Closing Balance at end of financial year	<u>11,259,360</u>	<u>11,259,360</u>

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

Australian Finnish Rest Home Association Incorporated

A.B.N. 26 587 653 803

Notes to the Financial Statements

For the year ended 30 June 2016

Note 14: Financial Risk Management

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

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2016	2015
Financial Assets		\$	\$
Cash and cash equivalents	5	4,899,297	4,606,203
Trade and other receivables	6	<u>198,565</u>	<u>256,588</u>
		<u>5,097,862</u>	<u>4,862,791</u>
Financial Liabilities			
Financial liabilities at amortised cost:			
-trade and other payables	10	518,984	988,039
-other liabilities	12	<u>9,223,376</u>	<u>7,522,431</u>
		<u>9,742,360</u>	<u>8,510,470</u>

Refer to Note 15 for detailed disclosures regarding the fair value measurements of the company's financial assets and liabilities.

Note 15: Fair Value Measurements

The Association has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after their initial recognition. The Association does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.

	Note	2016	2015
Recurring Fair Value Measurements			
<i>Financial Assets</i>		\$	\$
Financial Assets at fair value through profit or loss:			
- held-for-trading Australian listed shares		--	--
Available-for-sale financial assets:			
-shares in listed corporations		--	--
<i>Property, Plant & Equipment</i>			
Freehold Land		2,100,000	2,100,000
Freehold Buildings		<u>11,158,517</u>	<u>11,158,517</u>
		<u>13,258,517</u>	<u>13,258,517</u>

i) For freehold land and buildings, the fair values are based on an external independent valuation performed in June 2012, which had used comparable market data for similar properties.

Australian Finnish Rest Home Association Incorporated

A.B.N. 26 587 653 803

Notes to the Financial Statements

For the year ended 30 June 2016

Note 16: Contingent Liabilities and Contingent Assets

Statutory Charge

Under the Retirement Villages Act 1999, there exists a Statutory Charge over the land comprising 343 Cleveland-Redland Bay Road, Thornlands to secure certain rights of the residents of this village.

Under the Retirement Villages Act 1999, there exists a Statutory Charge over the Capital Replacement Fund to ensure the availability of the fund for the purpose of replacing the retirement village's capital items.

Inquest

An investigation by the Department of Work Health & Safety is still ongoing into the death of an ILU resident that occurred in 2014.

Note 17: Segment information

Business segments

The association is comprised of the following business segments:

Segment	Activities
Management	The provider of accommodation, care and services is the Australian Finnish Rest Home Association; an incorporated association with a voluntary board of management specifically formed to provide care to ageing Finns.
Villas	A retirement living complex comprising of 23 independent living units.
Residential Aged Care – Nursing Home	A 45 bed ageing in place residential aged care facility.
Finnicare Services – Home Care	Provision of home care and service packages predominantly to the Finnish and Scandanavian communities in Brisbane and its surrounds.
Trading Operations	Provision of ancillary services such as the Poro Café and FinnGym to external parties as a business concern.

Australian Finnish Rest Home Association Incorporated

A.B.N. 26 587 653 803

Notes to the Financial Statements

For the year ended 30 June 2016

2016	<i>Management</i>	<i>Villas</i>	<i>Residential Aged Care - Nursing Home</i>	<i>Finnicare Services (HomeCare)</i>	<i>Trading Operations</i>	<i>Consolidated</i>
	\$	\$	\$	\$	\$	\$
INCOME						
Resident Charges	--	124,987	974,218	148,724	--	1,247,929
Interest Received	103,297	1,549	20,309	279	--	125,434
Government Subsidies	--	--	2,652,826	1,391,263	--	4,044,089
Capital Grants Received	--	--	--	30,440	--	30,440
Deferred Management Fees	--	234,658	--	--	--	234,658
Bond Retentions	--	--	25,039	--	--	25,039
Donations Received	99,166	--	--	--	--	99,166
Other Income	22,975	351	45,497	2,568	143,153	214,544
Total Income	225,438	361,545	3,717,889	1,573,274	143,153	6,021,299
EXPENDITURE						
Care Employee Expenses	--	--	2,710,154	1,015,695	--	3,725,849
Administrative Employee Expenses	--	62,573	273,791	233,498	37,640	607,502
Depreciation and Amortisation	419,738	--	69,547	19,685	--	508,970
Catering Expenses	--	--	183,469	--	62,446	245,915
Repairs & Maintenance	--	4,307	96,844	663	931	102,745
Seminars & Training	1,384	479	37,473	23,964	115	63,415
Capital Gain Paid to Villa Residents on exit	--	115,275	--	--	--	115,275
Other Expenses	(147,022)	96,003	653,578	416,496	12,045	1,031,100
Total Expenditure	274,100	278,637	4,024,856	1,710,001	113,177	6,400,771
SEGMENT RESULT FOR YEAR	(48,662)	82,908	(306,967)	(136,727)	29,976	(379,472)

Australian Finnish Rest Home Association Incorporated

A.B.N. 26 587 653 803

Notes to the Financial Statements

For the year ended 30 June 2016

2016	<i>Management</i>	<i>Villas</i>	<i>Residential Aged Care - Nursing Home</i>	<i>Finnicare Services (Homecare)</i>	<i>Trading Operations</i>	<i>Consolidated</i>
	\$	\$	\$	\$	\$	\$
SEGMENT ASSETS						
Cash	1,155,302	117,892	3,463,729	162,374	--	4,899,297
Trade Receivables	--	--	121,588	76,977	--	198,565
Inventory	--	--	--	--	6,660	6,660
Other Current Assets	--	--	38,425	12,583	--	51,008
Total Segment Current Assets	1,155,302	117,892	3,623,742	251,934	6,660	5,155,530
Property, Plant & Equipment	15,180,475	--	457,914	98,416	7,822	15,744,627
Total Segment Non Current Assets	15,180,475	--	457,914	98,416	7,822	15,744,627
TOTAL SEGMENT ASSETS	16,335,777	117,892	4,081,656	350,350	14,482	20,900,157
SEGMENT LIABILITIES						
Trade Payables	--	--	203,433	135,621	--	339,054
Provisions for Leave	--	--	203,851	135,901	--	339,752
Accommodation Bonds / Deposits	--	--	3,350,634	--	--	3,350,634
Entry Contributions	5,872,742	--	--	--	--	5,872,742
Other Current Liabilities	--	58,811	77,958	43,161	--	179,930
Total Segment Current Liabilities	5,872,742	58,811	3,835,876	314,683	--	10,082,112
Provisions for Leave	--	--	38,511	25,674	--	64,185
Total Segment Non-Current Liabilities	--	--	38,511	25,674	--	64,185
TOTAL SEGMENT LIABILITIES	5,872,742	58,811	3,874,387	340,357	--	10,146,297
SEGMENT NET ASSETS	10,463,035	59,081	207,269	9,993	14,482	10,753,860

Australian Finnish Rest Home Association Incorporated

A.B.N. 26 587 653 803

Notes to the Financial Statements

For the year ended 30 June 2016

2015	<i>Management</i>	<i>Villas</i>	<i>Residential Aged Care - Nursing Home</i>	<i>Finnicare Services</i>	<i>Trading Operations</i>	<i>Consolidated</i>
	\$	\$	\$	\$	\$	\$
INCOME						
Resident Charges	--	126,683	924,593	131,283	--	1,182,559
Interest Received	130,852	2,410	60,756	1,847	--	195,865
Government Subsidies	--	--	2,429,902	1,334,154	--	3,764,056
Capital Grants Received	--	--	--	32,910	--	32,910
Deferred Management Fees	--	180,717	--	--	--	180,717
Bond Retentions	--	--	34,923	--	--	34,923
Donations Received	7,081	--	188	110	--	7,379
Other Income	4,091	--	170,472	16,492	--	191,055
Total Income	142,024	309,810	3,620,834	1,516,796	--	5,589,464
EXPENDITURE						
Care Employee Expenses	--	--	2,362,642	754,671	--	3,117,313
Administrative Employee Expenses	--	56,782	319,079	314,436	--	690,297
Depreciation and Amortisation	--	329,468	66,589	23,767	--	419,824
Catering Expenses	--	--	198,225	--	--	198,225
Repairs & Maintenance	10	6,066	82,677	452	--	89,205
Seminars & Training	1,491	705	44,584	14,427	--	61,207
Capital Gain Paid to Villa Residents on exit	--	--	--	--	--	--
Other Expenses	22,316	62,621	472,771	386,130	--	943,838
Total Expenditure	23,817	455,642	3,546,567	1,493,883	--	5,519,909
SEGMENT RESULT FOR YEAR	118,207	(145,832)	74,267	22,913	--	69,555

Australian Finnish Rest Home Association Incorporated

A.B.N. 26 587 653 803

Notes to the Financial Statements

For the year ended 30 June 2016

2015	<i>Management</i>	<i>Villas</i>	<i>Residential Aged Care - Nursing Home Nursing Home</i>	<i>Finnicare Services</i>	<i>Trading Operations</i>	<i>Consolidated</i>
	\$	\$	\$	\$	\$	\$
SEGMENT ASSETS						
Cash	1,980,911	116,342	2,346,576	162,374	--	4,606,203
Trade Receivables	--	--	179,612	76,976	--	256,588
Inventory	--	--	--	--	--	--
Other Current Assets	--	--	25,324	10,854	--	36,178
Total Segment Current Assets	1,980,911	116,342	2,551,512	250,204	--	4,898,969
Property, Plant & Equipment	14,752,307	--	343,492	46,131	--	15,141,930
Total Segment Non Current Assets	14,752,307	--	343,492	46,131	--	15,141,930
TOTAL SEGMENT ASSETS	16,733,218	116,342	2,895,004	296,335	--	20,040,899
SEGMENT LIABILITIES						
Trade Payables	543,421	--	400,156	44,462	--	988,039
Provisions for Leave	--	--	230,585	98,822	--	329,407
Accommodation Bonds / Deposits	--	--	1,744,331	--	--	1,744,331
Entry Contributions	5,778,100	--	--	--	--	5,778,100
Other Current Liabilities	--	--	--	--	--	--
Total Segment Current Liabilities	6,321,521	--	2,375,072	143,284	--	8,839,877
Provisions for Leave	--	--	47,383	20,307	--	67,690
Total Segment Non-Current Liabilities	--	--	47,383	20,307	--	67,690
TOTAL SEGMENT LIABILITIES	6,321,521	--	2,422,455	163,591	--	8,907,567
SEGMENT NET ASSETS	10,411,697	116,342	472,549	132,744	--	11,133,332

Australian Finnish Rest Home Association Incorporated

A.B.N. 26 587 653 803

Notes to the Financial Statements

For the year ended 30 June 2016

Note 18: Cash Flow Information

Reconciliation of Cash Flow from Operations with Loss

	2016	2015
Operating profit/(loss)	(379,472)	69,555
Non-cash flows in profit from Ordinary Activities		
Depreciation and Amortisation	508,970	419,824
Interest Paid	--	--
(Profit)/Loss on disposal of plant & equipment	(545)	--
Deferred Management Fees Received	(234,658)	(180,719)
Accommodation Bond Retentions Received	(25,039)	(34,922)
Changes in assets and liabilities:		
(Increase)/Decrease in receivables	58,023	31,717
(Increase)/Decrease in inventories	(6,660)	5,290
(Increase)/Decrease in prepayments	(14,830)	(9,552)
Increase/(Decrease) in payables	(469,055)	717,927
Increase/(Decrease) in provisions	<u>6,840</u>	<u>87,396</u>
Net cash provided by/(used in) operating activities	<u>(556,426)</u>	<u>1,106,516</u>

Note 19: Events After the Balance Sheet Date

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

Note 20: Association Details

The principal place of business of the association is

The Australian Finnish Rest Home Association Incorporated
343 Cleveland-Redland Bay Road
THORNLANDS QLD 4164

Australian Finnish Rest Home Association Incorporated
A.B.N. 26 587 653 803
Notes to the Financial Statements
For the year ended 30 June 2016

NOTE 21: Related Party Transactions

The Association's main related parties are as follows:

Key management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, is considered key management personnel. Based on this definition the key management personnel have been determined to be the Board of Directors. All Directors act in an honorary capacity and receive no remuneration for their services.

Other related parties

Other related parties include immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their immediate family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Australian Finnish Rest Home Association Incorporation has the following policies:

- No member of the Board is to be a paid employee of the Association.
- If a decision of the Board is required regarding a transaction that involves a member of the Board or their associate, that member is to be excused whilst discussions and decisions are made in regards to that transaction.
- No key management Personnel is to be involved in approving transactions that involve their associates.

There were no transactions which occurred with related parties during the year.

There were no loans to or from related parties at the current and previous reporting date.

NOTE 22: Commitments

There were no commitments for expenditure as at 30th June 2016.

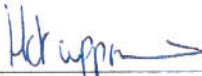
Australian Finnish Rest Home Association Incorporated
A.B.N. 26 587 653 803

Statement by Members of the Committee


In the opinion of the Committee, we certify that:

1. The attached financial statements and notes comply with the Australian Accounting Standards – Reduced Disclosure Requirements;
2. The attached financial report, as set out on pages 2 to 23, comprising financial statements and notes give a true and fair view of the financial position and performance of the Australian Finnish Rest Home Association Incorporated as at the end of the financial year of the Association ended on 30 June 2016 in accordance with the Australian Charities and Not-for-Profits Commission Act 2012; and
3. At the date of this statement, there are reasonable grounds to believe that Australian Finnish Rest Home Association Incorporated will be able to pay its debts as and when they become due and payable.

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



Dr Hannele Nupponen - President



Alan Gough - Treasurer

Dated this ^{5th} day of September 2016.

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER s 60.40 OF THE AUSTRALIAN CHARITIES
AND NOT-FOR-PROFITS COMMISSION ACT 2012
TO THE MEMBERS OF AUSTRALIAN FINNISH REST HOME ASSOCIATION INC**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there have been no contraventions of any applicable code of professional conduct in relation to the audit.



**Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants**



**PM Power
Director
Brisbane, 7th September 2016**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE AUSTRALIAN FINNISH REST HOME ASSOCIATION INC**

We have audited the accompanying financial report of Australian Finnish Rest Home Association Inc ("the association"), which comprises the statement of financial position as at 30 June 2016, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by members of the Committee.

The Committees' Responsibility for the Financial Report

The Committee of the association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards- Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Act 2012*. The Committee is also responsible for such internal control as they determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Independence

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE AUSTRALIAN FINNISH REST HOME ASSOCIATION INC
(Continued)**

Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of the Australian Finnish Rest Home Association Inc as at 30 June 2016 and its performance for the year then ended in accordance with Australian Accounting Standards- Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Act 2012*.



**BENTLEYS BRISBANE (AUDIT) PTY LTD
CHARTERED ACCOUNTANTS**



**P M POWER
DIRECTOR**

Dated in Brisbane on this 7th day of September 2016

Australian Finnish Rest Home Association Incorporated
A.B.N. 26 587 653 803
Independent Living Units General Services Fund
Statement by Committee

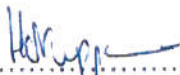
We, the Committee of the Australian Finnish Rest Home Association Inc Independent Living Units, state that this special purpose financial report has been prepared as required under the provisions of the Retirement Villages Act 1999.

In the opinion of the committee the financial report comprising the Statement of Income and Expenditure, Statement of Asset and Liabilities and Statement of Changes in Equity:

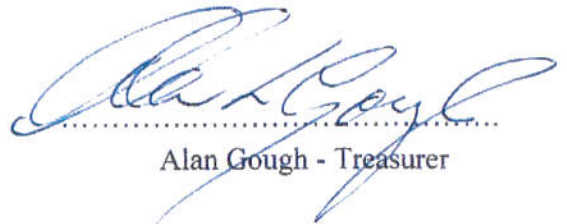
presents a true and fair view of the financial position of the Australian Finnish Rest Home Association inc. Independent Living Units as at the 30 June 2016 and its performance for the year ended on that date and the movement in the General Services Fund for the year ended on that date.

at 30 June 2016 the General Services Fund with a **shortfall balance of \$13,417.00** has been established for future expenditure on managing the Australian Finnish Rest Home Association Inc. Independent Living Units.

Signed in accordance with a resolution of the Members of the Committee on ^{31st}.... August 2016:



.....
Dr Hannele Nupponen – President



.....
Alan Gough - Treasurer

Australian Finnish Rest Home Association Incorporated
A.B.N. 26 587 653 803
Independent Living Units General Services Fund
Statement of Income and Expenditure
For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
<u>Income</u>			
Resident Fees		123,160	118,892
Sundry Income		--	--
Total Income		123,160	118,892
<u>Expenses</u>			
Accounting Fees		1,439	489
Audit Remuneration Fees		987	460
Cleaning & Materials		---	132
Computer Software & IT Expenditure		10,220	9,116
Insurance		10,068	5,700
Telephone		459	1,339
Utilities – Rates, Electricity & Gas		41,026	39,578
Repairs & Maintenance		4,307	6,066
Wages, Superannuation & Employment Costs		62,574	56,782
Sundry Expenses		<u>4,116</u>	<u>1,140</u>
Total Expenditure		<u>135,196</u>	<u>120,802</u>
Profit/(Loss)		(12,036)	(1,910)
GSF Deficit from Previous Year Recovered		<u>1,827</u>	<u>7,791</u>
Profit/(Loss) from Operations		<u>(10,209)</u>	<u>5,881</u>

The accompanying notes form part of these financial statements.

Australian Finnish Rest Home Association Incorporated
A.B.N. 26 587 653 803
Independent Living Units General Services Fund
Statement of Asset and Liabilities
As at 30 June 2016

	Note	2016 \$	2015 \$
Current Assets			
Cash at Bank		---	---
Total Current Assets		---	---
Non-Current Assets			
Property, plant and equipment		---	---
Total Non-Current Assets		---	---
Total Assets		---	---
Current Liabilities			
Loan from AFRHA		13,417	3,208
Total Current Liabilities		13,417	3,208
Non-Current Liabilities			
Provisions		---	---
Total Non-Current Liabilities		---	---
Total Liabilities		13,417	3,208
Net Assets		(13,417)	(3,208)
Equity			
Retained earnings		(13,417)	(3,208)
Reserves		---	---
Total Equity		(13,417)	(3,208)

The accompanying notes form part of these financial statements.

Australian Finnish Rest Home Association Incorporated
A.B.N. 26 587 653 803
Independent Living Units General Services Fund
Statement of Changes in Equity
For the year ended 30 June 2016

	Retained Surplus	Other Reserves	Total
	\$	\$	\$
Balance at 30 June 2014	<u><u>(9,089)</u></u>	---	<u><u>(9,089)</u></u>
Net surplus/(loss)	<u>5,881</u>	---	<u>5,881</u>
Balance at 30 June 2015	<u><u>(3,208)</u></u>	---	<u><u>(3,208)</u></u>
Net surplus/(loss)	<u>(10,209)</u>	---	<u>(10,209)</u>
Balance at 30 June 2016	<u><u>(13,417)</u></u>	---	<u><u>(13,417)</u></u>

Australian Finnish Rest Home Association Incorporated
A.B.N. 26 587 653 803
Independent Living Units General Services Fund
Notes to the Financial Statements

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Retirement Villages Act 1999. The committee has determined that the association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Retirement Villages Act 1999, and the following Australian Accounting Standards.

AASB 1031	Materiality
AASB 110	Events After the Reporting Period

No other applicable Accounting Standards or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations or non-current assets.

No other material accounting policies have been adopted in the preparation of this financial report.

NOTE 2 CONTINGENT LIABILITIES

Statutory Charge

Under the Retirement Villages Act 1999, there exists a Statutory Charge over the land comprising of 343 Cleveland-Redland Bay Rd, Thornlands to secure certain rights of the residents in this village. There are no other charges over the property.

NOTE 3 INSURANCE CLAIMS

No insurance claims were made or received during the current financial year.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE AUSTRALIAN FINNISH REST HOME ASSOCIATION INC –
INDEPENDENT LIVING UNITS – GENERAL SERVICES FUND**

We have audited the accompanying financial report, being a special purpose financial report, of the Australian Finnish Rest Home Association Independent Living Units - General Services Fund which comprises the Statement of Assets and Liabilities as at 30 June 2016 and the Statement of Income and Expenditure and Statement of Changes in Equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

The Committees' Responsibility for the Financial Report

The Committee is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies described in Note 1 to the financial statements are appropriate to meet the financial reporting requirements of the Retirement Villages Act 1999 and are appropriate to meet the needs of users.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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.

Independence

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE AUSTRALIAN FINNISH REST HOME ASSOCIATION INC –
INDEPENDENT LIVING UNITS – GENERAL SERVICES FUND
(Continued)**

Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of the Australian Finnish Rest Home Association Inc. Independent Living Units - General Services Fund as at 30 June 2016 and its Income and Expenditure for the year then ended, in accordance with the accounting policies described in Note 1.

Basis of Accounting

Without modifying our opinion we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the organization's financial reporting responsibilities under the Retirement Villages Act 1999. As a result, the financial report may not be suitable for another purpose.



**BENTLEYS BRISBANE (AUDIT) PTY LTD
CHARTERED ACCOUNTANTS**



**P M POWER
DIRECTOR**

Dated in Brisbane on this 7th day of September 2016

Australian Finnish Rest Home Association Incorporated
A.B.N. 26 587 653 803
Independent Living Units Maintenance Reserve Fund
Statement by Committee

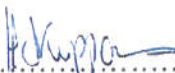
We, the Committee of the Australian Finnish Rest Home Association Inc Independent Living Units, state that this special purpose financial report has been prepared as required under the provisions of the Retirement Villages Act 1999.


In the opinion of the committee the financial report comprising the Statement of Income and Expenditure, Statement of Asset and Liabilities and Statement of Changes in Equity:

presents a true and fair view of the financial position of the Australian Finnish Rest Home Association inc. Independent Living Units Maintenance Reserve Fund as at the 30 June 2016 and its performance for the year ended on that date and the movement in the Maintenance Reserve Fund for the year ended on that date.

at 30 June 2016 the Maintenance Reserve Fund with a balance of \$24,052.25 has been established for future expenditure on maintaining and repairing the Australian Finnish Rest Home Association Inc. Independent Living Units capital items.

Signed in accordance with a resolution of the Members of the Committee on ^{31st} August 2016:


.....
Dr Hannele Nupponen - President


.....
Alan Gough - Treasurer

Australian Finnish Rest Home Association Incorporated
A.B.N. 26 587 653 803
Independent Living Units Maintenance Reserve Fund
Statement of Income and Expenditure
For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
<u>Income</u>			
Resident Contributions		22,273	26,469
Interest Received		--	--
Total Income		22,273	26,469
<u>Expenses</u>			
Accounting & Audit Fees		100	100
Bank Charges		--	--
Fees & Registrations		--	--
Repairs & Maintenance		35,624	20,297
Sundry Expenses		---	---
Total Expenditure		<u>35,724</u>	<u>20,397</u>
Profit/(Loss)		<u>(13,451)</u>	<u>6,072</u>

Australian Finnish Rest Home Association Incorporated
A.B.N. 26 587 653 803
Independent Living Units Maintenance Reserve Fund
Statement of Assets and Liabilities
As at 30 June 2016

	Note	2016 \$	2015 \$
Current Assets			
Cash at Bank		<u>24,052</u>	<u>37,503</u>
Total Current Assets		24,052	37,503
Non-Current Assets			
Property, plant and equipment		---	---
Total Non-Current Assets		<u>---</u>	<u>---</u>
Total Assets		<u>---</u>	<u>---</u>
Current Liabilities			
Bank Overdraft		---	---
Other current liabilities		<u>---</u>	<u>---</u>
Total Current Liabilities		---	---
Non-Current Liabilities			
Provisions		---	---
Total Non-Current Liabilities		<u>---</u>	<u>---</u>
Total Liabilities		<u>---</u>	<u>---</u>
Net Assets		<u>24,052</u>	<u>37,503</u>
Equity			
Retained earnings		24,052	37,503
Reserves		<u>---</u>	<u>---</u>
Total Equity		<u>24,052</u>	<u>37,503</u>

Australian Finnish Rest Home Association Incorporated
A.B.N. 26 587 653 803
Independent Living Units Maintenance Reserve Fund
Statement of Changes in Equity
For the year ended 30 June 2016

	\$	\$	\$
	Retained Surplus	Other Reserves	Total
	\$	\$	\$
Balance at 30 June 2014	<u>31,431</u>	<u>---</u>	<u>31,431</u>
Net surplus/(loss)	<u>6,072</u>	<u>---</u>	<u>6,072</u>
Balance at 30 June 2015	<u>37,503</u>	<u>---</u>	<u>37,503</u>
Net surplus/(loss)	<u>(13,451)</u>	<u>---</u>	<u>(13,451)</u>
Balance at 30 June 2016	<u>24,052</u>	<u>---</u>	<u>24,052</u>

The accompanying notes form part of these financial statements.

Australian Finnish Rest Home Association Incorporated
A.B.N. 26 587 653 803
Independent Living Units Maintenance Reserve Fund
Notes to the Financial Statements

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Retirement Villages Act 1999. The committee has determined that the association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Retirement Villages Act 1999, and the following Australian Accounting Standards.

AASB 1031	Materiality
AASB 110	Events After the Reporting Period

No other applicable Accounting Standards or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations or non-current assets.

No other material accounting policies have been adopted in the preparation of this financial report.

NOTE 2 MAINTENANCE RESERVE FUND

The Retirement Villages Act 1999 requires a registered Retirement Village scheme operator to establish and keep a trust account solely for the benefit of the residents. This fund is to be used solely for maintaining and repairing the Retirement Village capital items and quantify surveyor's fees in relation to projected costs for 10 years.

NOTE 3 CONTINGENT LIABILITIES

Statutory Charge

Under the Retirement Villages Act 1999, there exists a Statutory Charge over the land comprising of 343 Cleveland-Redland Bay Rd, Thornlands to secure certain rights of the residents in this village. There are no other charges over the property.

Under the Retirement Villages Act 1999, the scheme operator holds on trust solely for the benefit of residents a Maintenance Reserve Fund to ensure the availability of funds for the purpose of:

- (i) maintaining and repairing the villages capital items;
- (ii) paying the quantity surveyors reasonable fees for giving a report for section 98; and
- (iii) paying tax on amounts received by the fund under section 100(1)(b).

NOTE 4 INSURANCE CLAIMS

No insurance claims were made or received during the current financial year.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE AUSTRALIAN FINNISH REST HOME ASSOCIATION INC –
INDEPENDENT LIVING UNITS – MAINTENANCE RESERVE FUND**

We have audited the accompanying financial report, being a special purpose financial report, of the Australian Finnish Rest Home Association Independent Living Units - Maintenance Reserve Fund which comprises the Statement of Assets and Liabilities as at 30 June 2016, the Statement of Income and Expenditure and Statement of Changes in Equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

The Committees' Responsibility for the Financial Report

The Committee is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies described in Note 1 to the financial statements are appropriate to meet the financial reporting requirements of the Retirement Villages Act 1999 and are appropriate to meet the needs of users.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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.

Independence

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE AUSTRALIAN FINNISH REST HOME ASSOCIATION INC –
INDEPENDENT LIVING UNITS – MAINTENANCE RESERVE FUND
(Continued)**

Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of the Australian Finnish Rest Home Association Inc. Independent Living Units – Maintenance Reserve Fund as at 30 June 2016 and its Income and Expenditure for the year then ended in accordance with the accounting policies described in Note 1.

Basis of Accounting

Without modifying our opinion we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the organization's financial reporting responsibilities under the Retirement Villages Act 1999. As a result, the financial report may not be suitable for another purpose.



**BENTLEYS BRISBANE (AUDIT) PTY LTD
CHARTERED ACCOUNTANTS**



**P M POWER
DIRECTOR**

Dated in Brisbane on this 7th day of September 2016

Australian Finnish Rest Home Association Incorporated
A.B.N. 26 587 653 803
Independent Living Units Capital Replacement Fund
Statement by Committee

We, the Committee of the Australian Finnish Rest Home Association Inc Independent Living Units, state that this special purpose financial report has been prepared as required under the provisions of the Retirement Villages Act 1999.

In the opinion of the committee the financial report comprising the Statement of Income and Expenditure, Statement of Asset and Liabilities and Statement of Changes in Equity:

presents a true and fair view of the financial position of the Australian Finnish Rest Home Association inc. Independent Living Units as at the 30 June 2016 and its performance for the year ended on that date and the movement in the Capital Replacement Fund for the year ended on that date.

at 30 June 2016 the Capital Replacement Fund with a balance of \$117,891.71 has been established for future expenditure on replacing the Australian Finnish Rest Home Association Inc. Independent Living Units capital items.

Signed in accordance with a resolution of the Members of the Committee on ^{31st} August 2016:

.....


Dr Hannele Nupponen - President

.....


Alan Gough - Treasurer

Australian Finnish Rest Home Association Incorporated
A.B.N. 26 587 653 803
Independent Living Units Capital Replacement Fund
Statement of Income and Expenditure
For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
<u>Income</u>			
Interest Received		1,549	2,410
Operator Contribution		<u>--</u>	<u>--</u>
Total Income		1,549	2,410
<u>Expenses</u>			
Audit & Accounting Fees		--	--
Bank Charges		--	--
Fees and Registrations		--	--
Capital Replacements		<u>10,183</u>	<u>5,372</u>
Total Expenditure		<u>10,183</u>	<u>5,372</u>
Profit/(Loss) before income tax		(8,634)	(2,962)
Income tax expense		<u>--</u>	<u>--</u>
Profit/(Loss) from Operations		<u>(8,634)</u>	<u>(2,962)</u>

The accompanying notes form part of these financial statements.

Australian Finnish Rest Home Association Incorporated
A.B.N. 26 587 653 803
Independent Living Units Capital Replacement Fund
Statement of Assets and Liabilities
As at 30 June 2016

	Note	2016 \$	2015 \$
Current Assets			
Cash at Bank		117,892	116,342
Sundry Debtors		---	---
Total Current Assets		117,892	116,342
Non-Current Assets			
Property, plant and equipment		---	---
Total Non-Current Assets		---	---
Total Assets		<u>117,892</u>	<u>116,342</u>
Current Liabilities			
Trade and other Payables		---	---
Other current liabilities (Loan from AFRHA)		45,394	35,210
Total Current Liabilities		45,394	35,210
Non-Current Liabilities			
Provisions		--	--
Total Non-Current Liabilities		--	--
Total Liabilities		<u>45,394</u>	<u>35,210</u>
Net Assets		<u>72,498</u>	<u>81,132</u>
Equity			
Retained earnings		72,498	81,132
Reserves		---	---
Total Equity		<u>72,498</u>	<u>81,132</u>

The accompanying notes form part of these financial statements.

Australian Finnish Rest Home Association Incorporated
A.B.N. 26 587 653 803
Independent Living Units Capital Replacement Fund
Statement of Changes in Equity
For the year ended 30 June 2016

	Retained Surplus	Other Reserves	Total
	\$	\$	\$
Balance at 30 June 2014	<u>84,094</u>	---	<u>84,094</u>
Net surplus/(loss) attributable to the association	<u>(2,962)</u>	---	<u>(2,962)</u>
Balance at 30 June 2015	<u>81,132</u>	---	<u>81,132</u>
Net surplus/(loss) attributable to the association	<u>(8,634)</u>	---	<u>(8,634)</u>
Balance at 30 June 2016	<u>72,498</u>	---	<u>72,498</u>

The accompanying notes form part of these financial statements.

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Retirement Villages Act 1999. The committee has determined that the Australian Finnish Rest Home Association Inc. Independent Living Units is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Retirement Villages Act 1999, and the following Australian Accounting Standards.

AASB 1031	Materiality
AASB 110	Events After the Reporting Period

No other applicable Accounting Standards or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations or non-current assets.

No other material accounting policies have been adopted in the preparation of this financial report.

NOTE 2 CAPITAL REPLACEMENT FUND

The Retirement Villages Act 1999 requires a registered retirement village scheme operator to establish and keep a fund for replacing the Retirement Villages capital items. No amount standing to the credit of this fund may be applied or used for any other purpose.

NOTE 3 CONTINGENT LIABILITIES

Statutory Charge

Under the Retirement Villages Act 1999, there exists a Statutory Charge over the land comprising of 343 Cleveland – Redland Bay Road, Thornlands to secure certain rights of the residents in this village. There are no other charges over the property.

Under the Retirement Villages Act 1999, there exists a Statutory Charge over the Capital Replacement Fund to ensure the availability of the fund for the purpose of replacing the Retirement Village's capital items.

NOTE 4 INSURANCE CLAIMS

No insurance claims were made or received during the current financial year.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE AUSTRALIAN FINNISH REST HOME ASSOCIATION INC –
INDEPENDENT LIVING UNITS - CAPITAL REPLACEMENT FUND**

We have audited the accompanying financial report, being a special purpose financial report of the Australian Finnish Rest Home Association Independent Living Units - Capital Replacement Fund which comprises the Statement of Assets and Liabilities as at 30 June 2016, the Statement of Income and Expenditure and Statement of Changes in Equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

The Committees' Responsibility for the Financial Report

The Committee is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies described in Note 1 to the financial statements are appropriate to meet the financial reporting requirements of the Retirement Villages Act 1999 and are appropriate to meet the needs of users.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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.

Independence

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE AUSTRALIAN FINNISH REST HOME ASSOCIATION INC –
INDEPENDENT LIVING UNITS - CAPITAL REPLACEMENT FUND
(Continued)**

Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of the Australian Finnish Rest Home Association Inc. Independent Living Units - Capital Replacement Fund as at 30 June 2016 and its Income and Expenditure for the year then ended in accordance with the accounting policies described in Note 1.

Basis of Accounting

Without modifying our opinion we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the organization's financial reporting responsibilities under the Retirement Villages Act 1999. As a result, the financial report may not be suitable for another purpose.



**BENTLEYS BRISBANE (AUDIT) PTY LTD
CHARTERED ACCOUNTANTS**



**P M POWER
DIRECTOR**

Dated in Brisbane on this 7th day of September 2016

CONTACT DETAILS



AFRHA

AUSTRALIAN FINNISH REST HOME ASSOCIATION INC
AUSTRALIAN SUOMALAINEN LEPOKOTIYHDISTYS

ABN 26 587 653 807

Trading as:  **finncare**

**343 Cleveland-Redland Bay Rd
Thornlands, QLD 4164**

Ph. (07) 3829 4800

Office: info@finncare.org.au

Board: secretary@finncare.org.au

Our Vision is of a community where we can celebrate our culture through care-giving to others.

Our Mission is to continue to unite our unique Finnish culture with world leading care solutions for the benefit of all generations in our local and cultural communities.
