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AUSTRALIAN FINNISH REST HOME ASSOCIATION INC
AUSTRALIAN SUOMALAINEN LEPOKOTIYHDISTYS



ANNUAL FINANCIAL REPORT

2017-2018

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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 2018

Your committee members submit the financial report of Australian Finnish Rest Home Association Incorporated for the financial year ended 30 June 2018.

Committee Members

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

Martti Honkanen	-	President (appointed 24/9/17)
Tuula Kokkonen	-	President (resigned 24/9/17)
Helena Curran	-	Vice-President
Arja Moilanen	-	Treasurer (appointed 28/10/17)
Paivi Salo	-	Treasurer (resigned 24/9/17)
Tuula Kokkonen	-	Secretary (appointed 24/9/17)
Salme Durbin	-	Secretary (resigned 24/9/17)
Other Members -		
Tuula Kuusela		Mika Siltala
Irja Haapala-Biggs		Luke Pistol (resigned 6/1/18)
Margit Laitila (resigned 24/9/17)		Leena Siiteri
Amy Piekkala-Fletcher		Helena Pistol

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

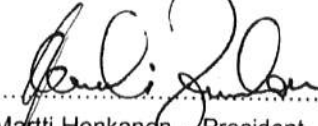
No significant change in the nature of these activities occurred during the year.

Operating Result

The Surplus/(Loss) from ordinary activities after providing for income tax amounted to

Year ended	Year ended
30 June 2018	30 June 2017
\$	\$
306,036	(160,817)

Signed in accordance with a resolution of the Members of the Committee on 4 September 2018:


.....
Martti Honkanen - President


.....
Arja Moilanen - Treasurer

Australian Finnish Rest Home Association Incorporated

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
Revenue	2	6,833,197	6,316,707
<u>Expenses</u>			
Kitchen & Café Expenses		(264,211)	(257,232)
Cleaning		(41,487)	(48,760)
Consultants Fees & Professional Services		(168,354)	(135,503)
Employee benefits expenses		(4,705,516)	(4,630,939)
Insurance		(33,049)	(30,436)
Medical Expenditure		(89,957)	(67,693)
Motor Vehicle & Travel Expenses		(25,360)	(24,707)
Repairs and Maintenance		(138,239)	(134,675)
Seminars, Conferences & Staff Training		(32,003)	(68,476)
Telephones		(28,641)	(19,634)
Utilities (Rates, Gas & Electricity)		(183,124)	(183,119)
Capital Gains paid to Retirement Village residents on exit		(7,500)	-
Depreciation and amortization expense		(491,204)	(534,036)
Other expenses from ordinary activities		<u>(318,516)</u>	<u>(342,314)</u>
Current Year Surplus/(Loss) before income tax		306,036	(160,817)
Income tax expense	1(b)	-	-
Net Current year Surplus/(Loss)		<u>306,036</u>	<u>(160,817)</u>
Other comprehensive income after income tax:			
Items that will not be subsequently recycled to profit or loss			
Revaluation of land and buildings		<u>(444,414)</u>	-
Total Comprehensive Income attributable to members of the entity		<u>(138,378)</u>	<u>(160,817)</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 2018

	Note	2018 \$	2017 \$
Current Assets			
Cash and cash equivalents	5	5,020,171	3,747,566
Trade and other receivables	6	235,532	183,731
Inventories	7	11,201	11,386
Other current assets	8	<u>56,534</u>	<u>47,610</u>
Total Current Assets		<u>5,323,438</u>	<u>3,990,293</u>
Non-Current Assets			
Property, plant and equipment	9	<u>14,812,370</u>	<u>15,449,474</u>
Total Non-Current Assets		<u>14,812,370</u>	<u>15,449,474</u>
Total Assets		<u>20,135,808</u>	<u>19,439,767</u>
Current Liabilities			
Trade and other Payables	10	469,912	313,093
Provisions	11	400,464	385,028
Other current liabilities	12	<u>8,743,135</u>	<u>8,057,960</u>
Total Current Liabilities		<u>9,613,511</u>	<u>8,756,081</u>
Non-Current Liabilities			
Provisions	11	<u>67,632</u>	<u>90,643</u>
Total Non-Current Liabilities		<u>67,632</u>	<u>90,643</u>
Total Liabilities		<u>9,681,143</u>	<u>8,846,724</u>
Net Assets		<u>10,454,665</u>	<u>10,593,043</u>
Equity			
Retained earnings/(Accumulated losses)		(360,281)	(666,317)
Reserves	13	<u>10,814,946</u>	<u>11,259,360</u>
Total Equity		<u>10,454,665</u>	<u>10,593,043</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 2018

	Note	Retained Earnings/ (Accumulated losses)	Reserves	Total
		\$	\$	\$
Balance at 30 June 2016		<u>(505,500)</u>	<u>11,259,360</u>	<u>10,753,860</u>
<i>Total Comprehensive Income</i>				
Net surplus/(loss) attributable to the association		<u>(160,817)</u>	<u>-</u>	<u>(160,817)</u>
Balance at 30 June 2017		<u>(666,317)</u>	<u>11,259,360</u>	<u>10,593,043</u>
<i>Total Comprehensive Income</i>				
Asset Revaluation Movements		--	(444,414)	(444,414)
Net surplus/(loss) attributable to the association		<u>306,036</u>	<u>-</u>	<u>306,036</u>
Balance at 30 June 2018		<u>(360,281)</u>	<u>10,814,946</u>	<u>10,454,665</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 2018

	2018 \$	2017 \$
Cash Flow From Operating Activities		
Receipts from Fees	1,627,468	1,519,573
Receipts from Government	4,735,929	4,403,807
Interest received	97,116	117,037
Receipts from others	122,004	88,283
Payments to Suppliers and employees	<u>(5,896,789)</u>	<u>(6,080,019)</u>
Net cash provided by/(used in) operating activities (note 18)	<u>685,728</u>	<u>48,681</u>
 Cash Flow From Investing Activities		
Proceeds from sale of property, plant and equipment	-	-
Payments for property, plant & equipment	<u>(298,514)</u>	<u>(238,883)</u>
Net cash provided by/(used in) by investing activities	<u>(298,514)</u>	<u>(238,883)</u>
 Cash Flow From Financing Activities		
Increase/(Decrease) Accommodation Bonds	801,000	(961,529)
Increase/(Decrease) in Entry Contributions	<u>84,391</u>	<u>-</u>
Net cash provided by/(used in) financing activities	<u>885,391</u>	<u>(961,529)</u>
 Net increase (decrease) in cash held	1,272,605	(1,151,731)
Cash at the beginning of the year	<u>3,747,566</u>	<u>4,899,297</u>
 Cash at the end of the year (note 5)	<u>5,020,171</u>	<u>3,747,566</u>

The accompanying notes form part of these financial statements.

Australian Finnish Rest Home Association Inc

A.B.N. 26 587 653 803

Notes to the Financial Statements

For the year ended 30 June 2018

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 and operating pursuant to the *Associations Incorporation Reform Act 2012*.

Note 1(a): Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Associations Incorporation Reform Act 2012*, the *Australian Charities and Not-for-Profits Commission Act 2012* and Australian Accounting Standards – Reduced Disclosure Requirements and Interpretations of the Australian Accounting Standards Board. 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the incorporated association and the revenue can be measured reliably. 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.

Rendering of Services

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

Grants

Non-reciprocal grant revenue is recognised 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 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 grant 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.

Donations

Donations and bequests are recognised as revenue when received.

Interest

Interest revenue is recognised as interest accrues using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Australian Finnish Rest Home Association Inc

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Notes to the Financial Statements

For the year ended 30 June 2018

Other revenue

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

(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. Deferred tax assets and liabilities are always 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 that are readily converted to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Trade and Other Receivables

Trade and other receivables are recognised at amortised cost 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.

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, any accumulated depreciation and impairment losses.

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 through the profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(h) for details of impairment).

Australian Finnish Rest Home Association Inc

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Notes to the Financial Statements

For the year ended 30 June 2018

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 in 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 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%
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.

(h) Impairment of Non-Financial Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Australian Finnish Rest Home Association Inc

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Notes to the Financial Statements

For the year ended 30 June 2018

These amounts represent liabilities for goods and services provided to the incorporated association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Employee Benefits

Short-term Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave, sick leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other Long-term Employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect to services provided by employees up to the reporting date.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined Contribution Superannuation expense

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

(k) Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In this case it is recognized as part of the cost of the acquisition of the asset or as part of the expense.

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.

Australian Finnish Rest Home Association Inc

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Notes to the Financial Statements

For the year ended 30 June 2018

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(m) Economic Dependence

The association is dependent on the Department of Health 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.

(n) Critical Accounting Estimates and Judgements

The committee evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association.

Key Estimates and Judgements

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 previously in note 1(j), 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 cash flows 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 Inc

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Notes to the Financial Statements

For the year ended 30 June 2018

Note 2: Revenue and Other Income

	2018	2017
	\$	\$
Operating Revenue:		
- Resident & Client Fees	1,435,007	1,293,570
- Government Recurrent Grant Revenue	4,731,866	4,391,161
- Amortisation of Capital Grants	--	12,646
- Contributions Retained	200,216	203,887
- Donations & Bequests	5,541	2,836
- Membership Fees	3,536	5,155
- Interest Earned	97,116	117,037
Other Income	<u>359,915</u>	<u>290,415</u>
Total Revenue	<u>6,833,197</u>	<u>6,316,707</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>376,802</u>	<u>354,638</u>
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Note 4: Auditors Remuneration

Remuneration of the auditor of the association for:

- audit or review services	22,500	22,000
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Note 5: Cash and cash equivalents

Cash on Hand	2,300	2,300
Cash at Bank	4,898,564	3,626,575
Cash at Bank – Capital Replacement Fund (1)	<u>119,307</u>	<u>118,691</u>
	<u>5,020,171</u>	<u>3,747,566</u>

¹ 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 Inc

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Notes to the Financial Statements

For the year ended 30 June 2018

Note 6: Trade and Other Receivables	2018	2017
Current Assets	\$	\$
Debtor - Residents	75,463	43,136
Interest Receivable	9,038	8,565
GST Receivable	41,550	27,499
Debtor - Other	<u>109,481</u>	<u>104,531</u>
	<u>235,532</u>	<u>183,731</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- Cafe stock on hand	<u>11,201</u>	<u>11,386</u>
	<u>11,201</u>	<u>11,386</u>

Note 8: Other Assets

Current

Prepayments	<u>56,534</u>	<u>47,610</u>
	<u>56,534</u>	<u>47,610</u>

Australian Finnish Rest Home Association Inc

A.B.N. 26 587 653 803

Notes to the Financial Statements

For the year ended 30 June 2018

Note 9: Property, Plant and Equipment

Freehold land:

- At independent valuation	4,250,000	2,100,000
	4,250,000	2,100,000

Buildings:

- At independent valuation	9,600,000	11,158,517
- At cost	--	3,397,815
- Less: Accumulated depreciation	--	(1,886,502)
	9,600,000	12,669,830

Furniture & Fittings

- At Cost	907,298	395,362
- Less: Accumulated depreciation	(359,656)	(181,937)
	547,642	213,425

Office Equipment

- At Cost	210,987	210,987
- Less: Accumulated depreciation	(77,870)	(52,681)
	133,117	158,306

Plant and equipment:

- At Cost	838,945	821,349
- Less: Accumulated depreciation	(576,943)	(524,550)
	262,002	296,799

Motor vehicles:

- At cost	204,348	204,348
- Less: Accumulated depreciation	(195,239)	(193,234)
	9,109	11,114

Work in Progress:

- At cost	10,500	--
	10,500	--

Total Property, Plant and Equipment

14,812,370 15,449,474

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	Furniture & Fittings	Office Equipment	Plant & Equipment	Motor Vehicles	WIP	TOTAL
Balance at 1 July 2017	2,100,000	12,669,830	213,425	158,306	296,799	11,114	-	15,449,474
Additions	-	257,402	13,016	-	17,596	-	10,500	298,514
Asset Revaluation	2,150,000	(2,594,414)	-	-	-	-	-	(444,414)
Depreciation Expense	-	(383,167)	(28,450)	(25,189)	(52,393)	(2,005)	-	(491,204)
Disposals	-	-	-	-	-	-	-	-
Transfers	-	(349,651)	349,651	-	-	-	-	-
Balance at 30 June 2018	4,250,000	9,600,000	547,642	133,117	262,002	9,109	10,500	14,812,370

Australian Finnish Rest Home Association Inc

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Notes to the Financial Statements For the year ended 30 June 2018

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.

Asset Revaluations

The freehold land and buildings were independently valued at 30 June 2018 by Herron Todd White. The valuation was based on an income approach using a discounted cash flow methodology, and allocating the portion attributable to land based on a market based approach using recent observable market data for similar properties. The valuation resulted in a revaluation decrease of \$444,414 being recognized in the revaluation reserve for the year ended 30 June 2018.

Note 10: Trade and Other Payables

	2018	2017
Unsecured	\$	\$
- Trade creditors	222,675	97,473
- GST Payable	40,538	40,954
- Sundry Creditors	185,710	147,342
- Unexpended Grants	4,063	--
- Income Received in Advance	<u>16,926</u>	<u>27,324</u>
	<u>469,912</u>	<u>313,093</u>

Note 11: Provisions

Current

Employee Entitlements	400,464	385,028
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Non-Current

Employee Entitlements	67,632	90,643
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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

	2018	2017
Current	\$	\$
Residents Funds		
Refundable Accommodation Bonds/Deposits	3,166,258	2,371,718
ILU Occupants' Contributions	<u>5,576,877</u>	<u>5,686,242</u>
	<u>8,743,135</u>	<u>8,057,960</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	<u>(444,414)</u>	<u>---</u>
Closing Balance at end of financial year	<u>10,814,946</u>	<u>11,259,360</u>

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

Australian Finnish Rest Home Association Inc

A.B.N. 26 587 653 803

Notes to the Financial Statements For the year ended 30 June 2018

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	2018	2017
Financial Assets		\$	\$
Cash and cash equivalents	5	5,020,171	3,747,566
Trade and other receivables	6	<u>235,532</u>	<u>183,713</u>
		<u>5,255,703</u>	<u>3,931,279</u>
Financial Liabilities			
Financial liabilities at amortised cost:			
-trade and other payables	10	448,923	285,767
-other liabilities	12	<u>8,743,135</u>	<u>8,057,960</u>
		<u>9,192,058</u>	<u>8,343,727</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	2018	2017
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		4,250,000	2,100,000
Freehold Buildings		<u>9,600,000</u>	<u>11,158,517</u>
		<u>13,850,000</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 2018, which had used comparable market data for similar properties (for land) and income approach (for buildings).

Australian Finnish Rest Home Association Inc

A.B.N. 26 587 653 803

Notes to the Financial Statements

For the year ended 30 June 2018

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.

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 Inc; 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	A 45 bed ageing in place residential aged care facility.
Home Support Services	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 Inc

A.B.N. 26 587 653 803

Notes to the Financial Statements

For the year ended 30 June 2018

2018	Management	Villas	Residential Aged Care	Home Support Services	Trading Operations	Consolidated
	\$	\$	\$	\$	\$	\$
INCOME						
Resident Charges	--	153,251	1,024,006	257,750	--	1,435,007
Interest Received	75,433	358	21,188	137	--	97,116
Government Subsidies	--	--	3,114,463	1,617,403	--	4,731,866
Capital Grants Received	--	--	--	--	--	--
Deferred Management Fees	193,756	--	--	--	--	193,756
Bond Retentions	--	--	6,460	--	--	6,460
Donations Received	5,541	--	--	--	--	5,541
Other Income	17,899	--	83,701	5,345	256,506	363,451
Total Income	292,629	153,609	4,249,818	1,880,635	256,506	6,833,197
EXPENDITURE						
Care Employee Expenses	--	47,582	2,656,631	1,022,443	--	3,726,656
Administrative Employee Expenses	6,597	--	468,819	340,813	162,631	978,860
Depreciation and Amortisation	383,168	--	86,437	21,599	--	491,204
Catering Expenses	--	--	155,735	--	108,476	264,211
Repairs & Maintenance	1,992	13,099	107,679	509	14,960	138,239
Seminars & Training	5,335	187	17,587	8,271	623	32,003
Capital Gain Paid to Villa Residents on exit	7,500	--	--	--	--	7,500
Other Expenses	53,338	77,143	376,264	370,478	11,265	888,488
Total Expenditure	457,930	138,011	3,869,152	1,764,113	297,955	6,527,161
SEGMENT RESULT FOR YEAR	(165,301)	15,598	380,666	116,522	(41,449)	306,036

Australian Finnish Rest Home Association Inc

A.B.N. 26 587 653 803

Notes to the Financial Statements

For the year ended 30 June 2018

2018	Management	Villas	Residential Aged Care	Home Support Services	Trading Operations	Consolidated
	\$	\$	\$	\$	\$	\$
SEGMENT ASSETS						
Cash	1,952,813	119,307	2,848,087	99,264	700	5,020,171
Trade Receivables	1,808	--	197,575	36,149	--	235,532
Inventory	--	--	--	--	11,201	11,201
Other Current Assets	--	--	45,228	11,306	--	56,534
Total Segment Current Assets	1,954,621	119,307	3,090,890	146,719	11,901	5,323,438
Property, Plant & Equipment	14,210,151	--	500,435	82,313	19,471	14,812,370
Total Segment Non Current Assets	14,210,151	--	500,435	82,313	19,471	14,812,370
TOTAL SEGMENT ASSETS	16,164,772	119,307	3,591,325	229,032	31,372	20,135,808
SEGMENT LIABILITIES						
Trade Payables	--	--	376,064	93,848	--	469,912
Provisions for Leave	--	--	320,372	80,092	--	400,464
Accommodation Bonds / Deposits	--	--	3,166,258	--	--	3,166,258
Entry Contributions	5,576,877	--	--	--	--	5,576,877
Other Current Liabilities	--	--	--	--	--	--
Total Segment Current Liabilities	5,576,877	--	3,862,694	173,940	--	9,613,511
Provisions for Leave	--	--	54,105	13,527	--	67,632
Total Segment Non-Current Liabilities	--	--	54,105	13,527	--	67,632
TOTAL SEGMENT LIABILITIES	5,576,877	--	3,916,799	187,467	--	9,681,143
SEGMENT NET ASSETS	10,587,895	119,307	(325,474)	41,565	31,372	10,454,665

Australian Finnish Rest Home Association Inc

A.B.N. 26 587 653 803

Notes to the Financial Statements

For the year ended 30 June 2018

2017	Management	Villas	Residential Aged Care	Home Support Services	Trading Operations	Consolidated
	\$	\$	\$	\$	\$	\$
INCOME						
Resident Charges	--	124,498	998,940	170,312	--	1,293,570
Interest Received	94,370	800	21,391	476	--	117,037
Government Subsidies	--	--	2,991,875	1,399,286	--	4,391,161
Capital Grants Received	--	--	12,000	646	--	12,646
Deferred Management Fees	--	186,500	--	--	--	186,500
Bond Retentions	--	--	17,387	--	--	17,387
Donations Received	2,836	--	--	--	--	2,836
Other Income	14,332	820	47,907	--	232,511	295,570
Total Income	111,538	312,618	4,089,500	1,570,540	232,511	6,316,707
EXPENDITURE						
Care Employee Expenses	--	--	2,878,485	819,594	--	3,698,079
Administrative Employee Expenses	7	55,727	372,521	351,254	99,206	878,715
Depreciation and Amortisation	428,525	--	79,667	25,844	--	534,036
Catering Expenses	--	--	156,694	--	100,538	257,232
Repairs & Maintenance	--	5,754	125,327	1,157	2,437	134,675
Seminars & Training	588	--	50,902	16,783	203	68,476
Capital Gain Paid to Villa Residents on exit	--	--	--	--	--	--
Other Expenses	31,625	90,701	403,356	356,608	24,021	906,311
Total Expenditure	460,745	152,182	4,066,952	1,571,240	226,405	6,477,524
SEGMENT RESULT FOR YEAR	(349,207)	160,436	22,548	(700)	6,106	(160,817)

Australian Finnish Rest Home Association Inc

A.B.N. 26 587 653 803

Notes to the Financial Statements

For the year ended 30 June 2018

2017	Management	Villas	Residential Aged Care	Home Support Services	Trading Operations	Consolidated
	\$	\$	\$	\$	\$	\$
SEGMENT ASSETS						
Cash	1,168,728	118,691	2,373,318	86,129	700	3,747,566
Trade Receivables	--	--	128,612	55,119	--	183,731
Inventory	--	--	--	--	11,386	11,386
Other Current Assets	--	--	37,327	10,283	--	47,610
Total Segment Current Assets	1,168,728	118,691	2,539,257	151,531	12,086	3,990,293
Property, Plant & Equipment	14,669,824	14,654	600,767	150,195	14,034	15,449,474
Total Segment Non Current Assets	14,669,824	14,654	600,767	150,195	14,034	15,449,474
TOTAL SEGMENT ASSETS	15,838,552	133,345	3,140,024	301,726	26,120	19,439,767
SEGMENT LIABILITIES						
Trade Payables	--	--	68,231	29,242	--	97,473
Provisions for Leave	--	--	256,685	128,343	--	385,028
Accommodation Bonds / Deposits	--	--	2,371,718	--	--	2,371,718
Entry Contributions	5,686,242	--	--	--	--	5,686,242
Other Current Liabilities	--	--	150,934	64,686	--	215,620
Total Segment Current Liabilities	5,686,242	--	2,847,568	222,271	--	8,756,081
Provisions for Leave	--	--	60,429	30,214	--	90,643
Total Segment Non-Current Liabilities	--	--	60,429	30,214	--	90,643
TOTAL SEGMENT LIABILITIES	5,686,242	--	2,907,997	252,485	--	8,846,724
SEGMENT NET ASSETS	10,152,310	133,345	232,027	49,241	26,210	10,593,043

Australian Finnish Rest Home Association Inc

A.B.N. 26 587 653 803

Notes to the Financial Statements

For the year ended 30 June 2018

Note 18: Cash Flow Information

Reconciliation of Cash Flow from Operations with Loss

	2018	2017
Operating profit/(loss)	306,036	(160,817)
Non-cash flows in profit from Ordinary Activities		
Depreciation and Amortisation	491,204	534,036
Interest Paid	-	-
(Profit)/Loss on disposal of plant & equipment	-	-
Deferred Management Fees Received	(193,756)	(186,500)
Accommodation Bond Retentions Received	(6,460)	(17,387)
Changes in assets and liabilities:		
(Increase)/Decrease in receivables	(51,801)	14,834
(Increase)/Decrease in inventories	185	(4,726)
(Increase)/Decrease in prepayments	(8,924)	3,398
Increase/(Decrease) in payables	156,819	(205,891)
Increase/(Decrease) in provisions	(7,575)	71,734
Net cash provided by/(used in) operating activities	<u>685,728</u>	<u>48,681</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 Inc

A.B.N. 26 587 653 803

Notes to the Financial Statements

For the year ended 30 June 2018

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 2018.


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

Statement by Members of the Committee

In the opinion of the Committee the financial report as set out on pages 2 to 22:

1. The attached financial statements and notes comply with the Australian Accounting Standards – Reduced Disclosure Requirements;
2. The attached financial statements and notes give a true and fair view of the financial position of the Australian Finnish Rest Home Association Incorporated as at 30 June 2018 and its performance for the year ended on that date 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:



Martti Honkanen - President



Arja Moilanen - Treasurer

Dated this 4TH day of September 2018.

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER s 60.40 OF THE AUSTRALIAN CHARITIES
AND NOT-FOR-PROFITS COMMISSION ACT 2012**

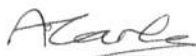
TO THE MEMBERS OF AUSTRALIAN FINNISH REST HOME ASSOCIATION INC

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there has been:

1. no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.



Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants



Ashley Carle
Director
Brisbane, 10 September 2018

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

Report on the Audit of the Financial Report

Opinion

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 2018 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Members of the Committee.

In our opinion the financial report of the Association is in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2018 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-Profits Commission Regulations 2013*.

Basis of opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the ethical requirements of the Australian Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

The Committee's Responsibility for the Financial Report

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

In preparing the financial report, the Committee is responsible for assessing the ability of the Association to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee either intend to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Committee is responsible for overseeing the association's financial reporting process.

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.
- Conclude on the appropriateness of the Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants



Ashley Carle
Director

Brisbane, 10 September 2018

Australian Finnish Rest Home Association Inc
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:

1. 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 2018 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.
2. at 30 June 2018 the General Services Fund with a balance of \$5,781 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 4 September 2018:


.....
Martti Honkanen – President


.....
Arja Moilanen - Treasurer

Australian Finnish Rest Home Association Inc
A.B.N. 26 587 653 803
Independent Living Units General Services Fund
Statement of Income and Expenditure
For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
<u>Income</u>			
Resident Fees		140,890	124,498
Sundry Income		--	--
Total Income		140,890	124,498
<u>Expenses</u>			
Accounting & Audit Remuneration Fees		2,284	2,369
Cleaning & Materials		--	33
Computer Software & IT Expenditure		6,876	6,998
Insurance		8,759	7,725
Telephone & Emergency Call		9,869	4,642
Utilities – Rates, Electricity & Gas		49,355	47,813
Repairs & Maintenance		2,288	2,779
Wages, Superannuation & Employment Costs		47,768	55,727
Sundry Expenses		--	3,266
Total Expenditure		<u>127,199</u>	<u>131,352</u>
Profit/(Loss)		13,691	(6,854)
GSF Deficit from Previous Year Recovered		<u>12,361</u>	--
Profit/(Loss) from Operations		<u>26,052</u>	<u>(6,854)</u>

The accompanying notes form part of these financial statements.

Australian Finnish Rest Home Association Inc
A.B.N. 26 587 653 803
Independent Living Units General Services Fund
Statement of Asset and Liabilities
As at 30 June 2018

	Note	2018 \$	2017 \$
Current Assets			
Cash at Bank		-	-
Sundry Debtors		<u>5,781</u>	<u>-</u>
Total Current Assets		5,781	-
Non-Current Assets			
Property, plant and equipment		<u>-</u>	<u>-</u>
Total Non-Current Assets		<u>-</u>	<u>-</u>
Total Assets		<u>-</u>	<u>-</u>
Current Liabilities			
Loan from AFRHA		<u>--</u>	<u>20,271</u>
Total Current Liabilities		<u>--</u>	<u>20,271</u>
Non-Current Liabilities			
Provisions		<u>-</u>	<u>-</u>
Total Non-Current Liabilities		<u>-</u>	<u>-</u>
Total Liabilities		<u>--</u>	<u>20,271</u>
Net Assets		<u>5,781</u>	<u>(20,271)</u>
Equity			
Retained earnings		5,781	(20,271)
Reserves		<u>-</u>	<u>-</u>
Total Equity		<u>5,781</u>	<u>(20,271)</u>

The accompanying notes form part of these financial statements.

Australian Finnish Rest Home Association Inc
A.B.N. 26 587 653 803
Independent Living Units General Services Fund
Statement of Changes in Equity
For the year ended 30 June 2018

	Retained Surplus	Other Reserves	Total
	\$	\$	\$
Balance at 30 June 2016	<u>(13,417)</u>	---	<u>(13,417)</u>
Net surplus/(loss)	<u>(6,854)</u>	---	<u>(6,854)</u>
Balance at 30 June 2017	<u>(20,271)</u>	---	<u>(20,271)</u>
Net surplus/(loss)	<u>26,052</u>	---	<u>26,052</u>
Balance at 30 June 2018	<u>5,781</u>	---	<u>5,781</u>

The accompanying notes form part of these financial statements.

Australian Finnish Rest Home Association Inc
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*. No Australian Accounting Standards have been applied in the preparation of the financial report.

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.

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 sent into the fund under section 100(1)(b).

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**

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of the Australian Finnish Rest Home Association Inc. Independent Living Units - General Services Fund which comprises the Statement of Assets and Liabilities as at 30 June 2018 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 and the Statement by Committee.

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 2018 and its Income and Expenditure for the year then ended, in accordance with the accounting policies described in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the ethical Requirements of the Australian Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

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 organisation's financial reporting responsibilities under the *Retirement Villages Act 1999*. As a result, the financial report may not be suitable for another purpose. Our opinion has not been modified in respect of this matter.

The Committees' Responsibility for the Financial Report

The Committee is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Retirement Villages Act 1999* and the needs of the users. The Committee's responsibility also includes for such internal control as the Committee determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Committee is responsible for overseeing the Association's financial reporting process.

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

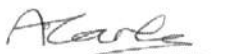
As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.
- Conclude on the appropriateness of the Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

We communicate with the Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants



Ashley Carle
Director

Brisbane, 10 September 2018

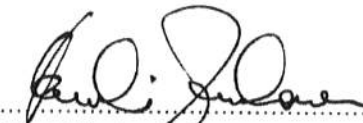
Australian Finnish Rest Home Association Inc
A.B.N. 26 587 653 803
Independent Living Units Maintenance Reserve Fund
Statement by Committee

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:

1. 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 2018 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.
2. at 30 June 2018 the Maintenance Reserve Fund with a balance of \$22,090 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 4 September 2018:


.....
Martti Honkanen – President


.....
Arja Moilanen - Treasurer

Australian Finnish Rest Home Association Inc
A.B.N. 26 587 653 803
Independent Living Units Maintenance Reserve Fund
Statement of Income and Expenditure
For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
<u>Income</u>			
Resident Contributions		28,597	25,353
Interest Received		—	—
Total Income		28,597	25,353
<u>Expenses</u>			
Accounting & Audit Fees		—	130
Bank Charges		107	70
Fees & Registrations		—	—
Repairs & Maintenance		14,100	41,505
Sundry Expenses		—	—
Total Expenditure		<u>14,207</u>	<u>41,705</u>
Profit/(Loss)		<u>14,390</u>	<u>(16,352)</u>

The accompanying notes form part of these financial statements.

Australian Finnish Rest Home Association Inc
A.B.N. 26 587 653 803
Independent Living Units Maintenance Reserve Fund
Statement of Assets and Liabilities
As at 30 June 2018

	Note	2018 \$	2017 \$
Current Assets			
Cash at Bank		<u>22,090</u>	<u>7,700</u>
Total Current Assets		22,090	7,700
Non-Current Assets			
Property, plant and equipment		-	-
Total Non-Current Assets		<u>-</u>	<u>-</u>
Total Assets		<u>22,090</u>	<u>7,700</u>
Current Liabilities			
Bank Overdraft		-	-
Other current liabilities		<u>-</u>	<u>-</u>
Total Current Liabilities		<u>-</u>	<u>-</u>
Non-Current Liabilities			
Provisions		-	-
Total Non-Current Liabilities		<u>-</u>	<u>-</u>
Total Liabilities		<u>-</u>	<u>-</u>
Net Assets		<u>22,090</u>	<u>7,700</u>
Equity			
Retained earnings		22,090	7,700
Reserves		<u>-</u>	<u>-</u>
Total Equity		<u>22,090</u>	<u>7,700</u>

The accompanying notes form part of these financial statements.

Australian Finnish Rest Home Association Inc
A.B.N. 26 587 653 803
Independent Living Units Maintenance Reserve Fund
Statement of Changes in Equity
For the year ended 30 June 2018

	Retained Surplus	Other Reserves	Total
	\$	\$	\$
Balance at 30 June 2016	<u>24,052</u>	=	<u>24,052</u>
Net surplus/(loss)	<u>(16,352)</u>	=	<u>(16,352)</u>
Balance at 30 June 2017	<u>7,700</u>	=	<u>7,700</u>
Net surplus/(loss)	<u>14,390</u>	=	<u>14,390</u>
Balance at 30 June 2018	<u>22,090</u>	=	<u>22,090</u>

The accompanying notes form part of these financial statements.

Australian Finnish Rest Home Association Inc
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*. No Australian Accounting Standards have been applied in the preparation of the financial report.

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**

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of the Australian Finnish Rest Home Association Inc. Independent Living Units - Maintenance Reserve Fund which comprises the Statement of Assets and Liabilities as at 30 June 2018 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 and the Statement by Committee.

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 2018 and its Income and Expenditure for the year then ended, in accordance with the accounting policies described in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the ethical Requirements of the Australian Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

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 organisation's financial reporting responsibilities under the *Retirement Villages Act 1999*. As a result, the financial report may not be suitable for another purpose. Our opinion has not been modified in respect of this matter.

The Committees' Responsibility for the Financial Report

The Committee is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Retirement Villages Act 1999 and the needs of the users. The Committee's responsibility also includes for such internal control as the Committee determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Committee is responsible for overseeing the Association's financial reporting process.

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.
- Conclude on the appropriateness of the Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

We communicate with the Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants



Ashley Carle
Director

Brisbane, 10 September 2018

Australian Finnish Rest Home Association Inc
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:

1. 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 2018 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.
2. at 30 June 2018 the Capital Replacement Fund with a balance of \$119,307 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 4 September 2018:


.....
Martti Honkanen – President


.....
Arja Moilanen - Treasurer

Australian Finnish Rest Home Association Inc
A.B.N. 26 587 653 803
Independent Living Units Capital Replacement Fund
Statement of Income and Expenditure
For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
<u>Income</u>			
Interest Received		357	800
Operator Contribution		<u>-</u>	<u>-</u>
Total Income		357	800
<u>Expenses</u>			
Audit & Accounting Fees		-	-
Bank Charges		-	-
Fees and Registrations		-	-
Capital Replacements		<u>10,811</u>	<u>18,921</u>
Total Expenditure		<u>10,811</u>	<u>18,921</u>
Profit/(Loss) before income tax		(10,454)	(18,121)
Income tax expense		<u>-</u>	<u>-</u>
Profit/(Loss) from Operations		<u>(10,454)</u>	<u>(18,121)</u>

The accompanying notes form part of these financial statements.

Australian Finnish Rest Home Association Inc
A.B.N. 26 587 653 803
Independent Living Units Capital Replacement Fund
Statement of Assets and Liabilities
As at 30 June 2018

	Note	2018 \$	2017 \$
Current Assets			
Cash at Bank		119,307	118,691
Sundry Debtors		<u>-</u>	<u>-</u>
Total Current Assets		119,307	118,691
Non-Current Assets			
Property, plant and equipment		<u>-</u>	<u>-</u>
Total Non-Current Assets		<u>-</u>	<u>-</u>
Total Assets		<u>119,307</u>	<u>118,691</u>
Current Liabilities			
Trade and other Payables		-	-
Other current liabilities (Loan from AFRHA)		<u>75,384</u>	<u>64,314</u>
Total Current Liabilities		75,384	64,314
Non-Current Liabilities			
Provisions		<u>-</u>	<u>-</u>
Total Non-Current Liabilities		<u>-</u>	<u>-</u>
Total Liabilities		<u>75,384</u>	<u>64,314</u>
Net Assets		<u>43,923</u>	<u>54,377</u>
Equity			
Retained earnings		43,923	54,377
Reserves		<u>-</u>	<u>-</u>
Total Equity		<u>43,923</u>	<u>54,377</u>

The accompanying notes form part of these financial statements.

Australian Finnish Rest Home Association Inc
A.B.N. 26 587 653 803
Independent Living Units Capital Replacement Fund
Statement of Changes in Equity
For the year ended 30 June 2018

	Retained Surplus	Other Reserves	Total
	\$	\$	\$
Balance at 30 June 2016	<u>72,498</u>	=	<u>72,498</u>
Net surplus/(loss) attributable to the association	<u>(18,121)</u>	=	<u>(18,121)</u>
Balance at 30 June 2017	<u>54,377</u>	=	<u>54,377</u>
Net surplus/(loss) attributable to the association	<u>(10,454)</u>	=	<u>(10,454)</u>
Balance at 30 June 2018	<u>43,923</u>	=	<u>43,923</u>

The accompanying notes form part of these financial statements.

Australian Finnish Rest Home Association Inc
A.B.N. 26 587 653 803
Independent Living Units Capital Replacement 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 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*. No Australian Accounting Standards were applied in the preparation of the financial report.

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**

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of the Australian Finnish Rest Home Association Inc. Independent Living Units - Capital Replacement Fund which comprises the Statement of Assets and Liabilities as at 30 June 2018 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 and the Statement by Committee.

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 2018 and its Income and Expenditure for the year then ended, in accordance with the accounting policies described in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the ethical Requirements of the Australian Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

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 organisation's financial reporting responsibilities under the *Retirement Villages Act 1999*. As a result, the financial report may not be suitable for another purpose. Our opinion has not been modified in respect of this matter.

The Committees' Responsibility for the Financial Report

The Committee is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Retirement Villages Act 1999 and the needs of the users. The Committee's responsibility also includes for such internal control as the Committee determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Committee is responsible for overseeing the Association's financial reporting process.

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

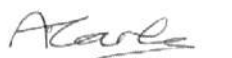
As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.
- Conclude on the appropriateness of the Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

We communicate with the Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants



Ashley Carle
Director

Brisbane, 10 September 2018

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.
