



# AFRHA

AUSTRALIAN FINNISH REST HOME ASSOCIATION INC  
AUSTRALIAN SUOMALAINEN LEPOKOTIYHDISTYS



## ANNUAL FINANCIAL REPORT

2019-2020

# TABLE OF CONTENTS

## **Australian Finnish Rest Home Association Inc. Financial Report**

Committee's Report	2
Statement of Profit or Loss and Other Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to Financial Statements	7
Statement by Members of the Committee	28
Independent Auditor's Report to the Members of the Australian Finnish Rest Home Association Inc.	29

## **Independent Living Units - General Services Fund**

Statement by Committee	32
Statement of Income and Expenditure	33
Statement of Assets and Liabilities	34
Statement of Changes in Equity	35
Notes to Financial Statements	36
Independent Auditor's Report to the Members of the Australian Finnish Rest Home Association Inc.	37

## **Independent Living Units – Maintenance Reserve Fund**

Statement by Committee	39
Statement of Income and Expenditure	40
Statement of Assets and Liabilities	41
Statement of Changes in Equity	42
Notes to Financial Statements	43
Independent Auditor's Report to the Members of the Australian Finnish Rest Home Association Inc.	44

## **Independent Living Units – Capital Replacement Fund**

Statement by Committee	46
Statement of Income and Expenditure	47
Statement of Assets and Liabilities	48
Statement of Changes in Equity	49
Notes to Financial Statements	50
Independent Auditor's Report to the Members of the Australian Finnish Rest Home Association Inc.	51

**Australian Finnish Rest Home Association Incorporated**  
**A.B.N. 26 587 653 803**  
**Committee's Report**  
**For The Year Ended 30 June 2020**

Your committee members submit the financial report of Australian Finnish Rest Home Association Incorporated for the financial year ended 30 June 2020.

**Committee Members**

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

Martti Honkanen	President
Amy Piekkala-Fletcher	Vice-President
Arja Moilanen	Treasurer
Tuula Kokkonen	Secretary ( <i>resigned 21<sup>st</sup> September 2019</i> )
Katja Nexo	Secretary ( <i>elected 21<sup>st</sup> September 2019</i> )

**Other Members**

Tuula Kuusela ( <i>Suomi Conference Nominee</i> )	Mika Siltala
Mikko Makelainen	Jouni Juntunen ( <i>AFFSC Nominee and Public Office</i> )
Leena Siiteri ( <i>Australian Hyva Sanoma Nominee</i> )	Helena Curran ( <i>resigned 21<sup>st</sup> September 2019</i> )

**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:

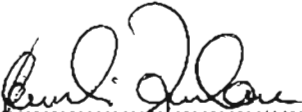
Year ended	Year ended
30 June 2020	30 June 2019
\$	\$
(63,934)	199,063


**Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 29 of the financial report.

The Association is registered with the Australian Charities and Not-for-profits Commission.

Signed in accordance with a resolution of the Members of the Committee on 8 September 2020:

  
.....  
Martti Honkanen - President

  
.....  
Arja Moilanen - 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 2020**

	Note	2020 \$	2019 \$
<b>Revenue and Other Income</b>	2	7,179,896	7,122,627
<b>Expenses</b>			
Kitchen & Café Expenses		(256,120)	(264,661)
Cleaning		(59,209)	(68,677)
Consultants Fees & Professional Services		(245,230)	(220,850)
Employee benefits expenses		(5,007,809)	(4,793,977)
Insurance		(43,398)	(36,643)
Medical Expenditure		(155,796)	(98,295)
Motor Vehicle & Travel Expenses		(15,597)	(30,171)
Repairs and Maintenance		(149,589)	(151,186)
Seminars, Conferences & Staff Training		(29,615)	(42,085)
Telephones		(24,184)	(26,669)
Utilities (Rates, Gas & Electricity)		(170,219)	(160,661)
Capital Gains paid to Retirement Village residents on exit		(282,250)	(165,000)
Depreciation and amortisation expense		(420,694)	(437,347)
Other expenses from ordinary activities		(384,120)	(427,342)
		<hr/>	<hr/>
<b>Current Year Surplus / (Loss) before income tax</b>		<b>(63,934)</b>	<b>199,063</b>
Income tax expense	1(b)	<hr/> -	<hr/> -
<b>Net Current year Surplus / (Loss)</b>		<hr/> <b>(63,934)</b>	<hr/> <b>199,063</b>
<b>Total Comprehensive Income / (Loss) attributable to members of the entity</b>		<hr/> <b>(63,934)</b>	<hr/> <b>199,063</b>

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 2020**

	Note	2020 \$	2019 \$
<b>Current Assets</b>			
Cash and cash equivalents	5	8,535,572	6,733,407
Trade and other receivables	6	91,880	115,888
Inventories	7	7,272	11,569
Other current assets	8	88,302	77,311
<b>Total Current Assets</b>		<b>8,723,026</b>	<b>6,938,175</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	9	14,360,157	14,523,564
<b>Total Non-Current Assets</b>		<b>14,360,157</b>	<b>14,523,564</b>
<b>Total Assets</b>		<b>23,083,183</b>	<b>21,461,739</b>
<b>Current Liabilities</b>			
Trade and other Payables	10	629,900	424,537
Provisions	11	434,477	399,343
Other current liabilities	12	11,349,444	9,906,915
<b>Total Current Liabilities</b>		<b>12,413,821</b>	<b>10,730,795</b>
<b>Non-Current Liabilities</b>			
Provisions	11	79,568	77,216
<b>Total Non-Current Liabilities</b>		<b>79,568</b>	<b>77,216</b>
<b>Total Liabilities</b>		<b>12,493,389</b>	<b>10,808,011</b>
<b>Net Assets</b>		<b>10,589,794</b>	<b>10,653,728</b>
<b>Equity</b>			
Retained earnings/(Accumulated losses)		(225,152)	(161,218)
Reserves	13	10,814,946	10,814,946
<b>Total Equity</b>		<b>10,589,794</b>	<b>10,653,728</b>

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 2020**

	Note	Retained Earnings/ (Accumulated losses) \$	Reserves \$	Total \$
<b>Balance at 30 June 2018</b>		<b>(360,281)</b>	<b>10,814,946</b>	<b>10,454,665</b>
<b><i>Total Comprehensive Income</i></b>				
Asset Revaluation Movements		-	-	-
Net surplus/(loss) attributable to the Association		199,063	-	199,063
<b>Balance at 30 June 2019</b>		<b><u>(161,218)</u></b>	<b><u>10,814,946</u></b>	<b><u>10,653,728</u></b>
<b>Balance at 30 June 2019</b>		<b>(161,218)</b>	<b>10,814,946</b>	<b>10,653,728</b>
<b><i>Total Comprehensive Income</i></b>				
Asset Revaluation Movements		-	-	-
Net surplus/(loss) attributable to the Association		(63,934)	-	(63,934)
<b>Balance at 30 June 2020</b>		<b><u>(225,152)</u></b>	<b><u>10,814,946</u></b>	<b><u>10,589,794</u></b>

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 2020**

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Cash Flow from Operating Activities</b>		
Receipts from Resident Fees	1,570,601	1,851,993
Receipts from Government	4,947,622	4,954,302
Interest received	37,934	128,750
Receipts from others	323,667	134,947
Payments to Suppliers and employees	(6,586,981)	(6,649,565)
<b>Net cash provided by/(used in) operating activities</b> <b>(note 18)</b>	<b><u>292,843</u></b>	<b><u>420,427</u></b>
<b>Cash Flow from Investing Activities</b>		
Payments for property, plant & equipment	(257,287)	(148,541)
<b>Net cash provided by/(used in) by investing activities</b>	<b><u>(257,287)</u></b>	<b><u>(148,541)</u></b>
<b>Cash Flow from Financing Activities</b>		
Increase/(Decrease) Accommodation Bonds	807,330	1,230,599
Increase/(Decrease) in Entry Contributions	959,279	210,751
<b>Net cash provided by/(used in) financing activities</b>	<b><u>1,766,609</u></b>	<b><u>1,441,350</u></b>
Net increase (decrease) in cash held	1,802,165	1,713,236
Cash at the beginning of the year	6,733,407	5,020,171
<b>Cash at the end of the year (note 5)</b>	<b><u>8,535,572</u></b>	<b><u>6,733,407</u></b>

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 2020**

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: 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 and Other Income**

The Association recognises revenue and other income as follows:

*Rendering of Services*

Resident fees from services rendered are recognised in profit or loss as the service is performed and only when it is probable that the economic benefits associated with the transactions will flow to the Association.

*Government operating grants*

When the Association receives operating grant revenue, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Association:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement;
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Association:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (AASB 1058, AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer);
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Association recognises income in profit or loss when or as it satisfies its obligations under the contract.

*Contributed assets*

The Association receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (AASB 9, AASB 16, AASB 116 and AASB 138).



**Australian Finnish Rest Home Association Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

On initial recognition of an asset, the Association recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer). The Association recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

*Donations*

Donations and bequests are recognised as revenue when received.

*Other revenue*

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

*Other income – 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.

*Other income - Daily Accommodation Payments (DAP)*

Where a resident has not paid the required refundable accommodation deposit, a DAP is payable. This is considered lease income and is separately disclosed from resident fees as accommodation income. This is recognised as other income in accordance with the resident contract, on an accruals basis.

*Other income - Deferred Management Fees*

Deferred management fees are recognised as income on a straight-line basis over the time the resident occupies the independent living unit. In order to determine the amount each year, the Association estimates the tenure of its residents to determine the estimated total deferred management fees, and then divides this by the expected tenure.

**(b) Income tax**

As the 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.

**Australian Finnish Rest Home Association Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

**(f) Trade and Other Receivables**

Trade and other receivables are recognised at amortised cost less any provision for expected credit losses.

**(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).

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%
Office Equipment	14.00% - 40.00%
Motor vehicles	15.00% - 18.75%

**Australian Finnish Rest Home Association Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

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**

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognized in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialized assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

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 individual asset is identified, this is recognized 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**

These amounts represent liabilities for goods and services provided to the 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 Provisions**

*Short-term Employee provisions*

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

*Other Long-term Employee provisions*

Provision is made for employees' annual leave and long service leave entitlements not expected to be settled within 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 expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognized in profit or loss as part of employee provisions expense.

**Australian Finnish Rest Home Association Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

The Association's obligations for long-term employee benefits are presented as non-current employee 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 employee provisions.

*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.

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) Leases**

The Association as Lessee

At inception of a contract, the Association assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Association where the Association is a lessee. However, all contracts classified as short-term leases (with a remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

**Australian Finnish Rest Home Association Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Association uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- Fixed lease payments less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be paid by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- Lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Association anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

#### The Association as Lessor

Upon entering into each contract as a lessor, the Association assesses if the lease is a finance or operating lease. The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (for example legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases are recognised as receivables at the amount of the Association's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Association applies AASB 15 to allocate the consideration under the contract to each component.

The only leases that the Association enters into as lessor is in relation to the accommodation component of residential aged care agreements. See Note 1(a) for further information on how the revenue is recognised.

#### **(o) Aged care Residents and ILU Occupants' Contributions**

Entry Contributions and Accommodation Bonds and RADS that represent a liability at balance date are classified as current liabilities in the statement of financial position. Based on historical trends and experience it is likely that the majority of the liability recognised will not be payable within 12 months, however there is no unconditional right to defer settlement of the liability for more than 12 months and, therefore, the liability is recognised as current in its entirety.

#### **(p) New or Amended Accounting Standards and Interpretations Adopted**

The Association has adopted all of the new or amended accounting standards and interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. Of most relevance to the Association is the application of AASB 16 *Leases*.

**Australian Finnish Rest Home Association Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

The Association adopted AASB 16 Leases from 1 July 2019. The Standard has been applied retrospectively using the cumulative catch-up method, meaning that comparative figures have not been restated and any cumulative impact to net assets being recognised as an adjustment through equity on the date of application, being 1 July 2019.

The Association as lessor

The Association has assessed the impact of AASB 16 on its resident agreements and determined that the accommodation component of these contracts meets the definition of an operating lease.

- (i) *Refundable Accommodation Deposits (RAD) and Daily Accommodation Payments (DAP)*  
The accounting treatment for residential aged care accommodation arrangements where residents have elected to pay a DAP has not changed on adoption of the Standard and therefore no retrospective changes were required to be made to equity as at 1 July 2019. However, this income is now disclosed separately from resident fees, as required by AASB 16, and shown as accommodation income.  
For residential aged care accommodation arrangements where the resident has elected to pay a RAD, the Association receives a financing benefit in the form of an interest-free loan. Adoption of AASB 16 requires recognition of interest expense and corresponding income to reflect the financing benefit received. This has no net impact on profit or loss. The Association has concluded that the impact of this assessment is immaterial as the resident agreement only requires 14 days written notice to vacate and there is no economic incentive for the resident to stay at any specific home given comparable alternative homes available. Given the non-cancellable period of the lease term is 14 days, the difference between the fair value of the refundable deposit and the nominal amount of the RAD would be negligible.
- (ii) *Deferred management fees from ILU License to Reside*  
The Association receives a financing benefit in the form of an interest-free loan for these agreements as well. The Association has also concluded that the impact of this assessment is immaterial as the resident agreement only requires 30 days written notice to vacate.

The Association as lessee

The Association has one lease for printers for which the low asset value exemption has been taken. Total payments for the lease (22,392) have been expense in the profit or loss account.

The Association has also adopted the new revenue accounting standards AASB 15 *Revenue from contracts with customers* and AASB 1058 *Income of Not-for-Profit Entities* from 1 July 2019. There have been no adjustments to opening equity or comparative figures in the financial report as a result of applying the new revenue accounting standards.

**(q) Critical Accounting Estimates and Judgements**

The committee evaluate 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**

- (i) *Impairment*  
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

**Australian Finnish Rest Home Association Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

decrease of (\$444,414) being recognised in the revaluation reserve for the year ended 30 June 2018.

At 30 June 2020, the Committee reviewed the key assumptions made by the valuers at 30 June 2018. They concluded that these assumptions remain materially unchanged and are satisfied that carrying amount does not exceed the recoverable amount of land and buildings at 30 June 2020.

- (ii) *Useful lives of property, plant and equipment*  
As described in Note 1(g), the Association reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.
- (iii) *Residential aged care accommodation arrangements*  
For residential aged care accommodation arrangements where the resident has elected to pay a RAD, the Association receives a benefit in the form of an interest-free loan. The adoption of AASB 16 requires recognition of interest expense and corresponding income to reflect the financial benefit received. This has no net impact on profit or loss. The Association has concluded that the impact of this assessment is immaterial as the resident agreement only requires 14 days written notice to vacate and there is no economic incentive for the resident to stay at any specific home given comparable alternative homes available. Given the non-cancellable period of the lease term is 14 days, the difference between the fair value of the refundable deposit and the nominal amount of the RAD would be negligible.
- (iii) *Deferred management fees from ILU License to Reside*  
The Association has also concluded that the impact of this assessment is immaterial as the resident agreement only requires 30 days written notice to vacate.
- (iv) *Estimation of retirement villages resident's tenure*  
An estimate has been made of the tenure of retirement village residents for the purpose of recognising the Deferred Management Fee (DMF) revenue relating to residents occupancy of the retirement village units. This estimate has been made with reference to the historical tenure period of residents and industry norms.

### **Key Judgements**

#### *Estimation of Useful Lives of Assets*

The 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*

The Association assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the 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**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

<b>Note 2: Revenue and Other Income</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue from contracts with customers:</b>		
- Resident & Client Fees	1,321,373	1,508,163
- Government Recurrent Grant Revenue	4,947,622	4,856,036
- Donations & Bequests	1,797	12,637
- Membership Fees	3,717	2,808
<b>Other income:</b>		
- Accommodation Income*	554,530	-
- Contributions Retained	-	277,570
- Interest Earned	32,704	128,750
- Sundry Income	318,153	336,663
<b>Total Revenue and Other Income</b>	<b>7,179,896</b>	<b>7,122,627</b>

\*After transition to AASB 16, the Association now discloses income received under AASB 16 separately from revenue from contracts with customers. These amounts relate to income received in relation to the provision of accommodation to residents. In the prior year, Accommodation income was \$557,916 with \$277,570 classified in Contributions Retained, \$229,708 classified in Resident & Client Fees and the remaining \$50,638 classified as Interest Earned.

**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	396,743	390,254
---	---------	---------

*Other expenses from ordinary activities*

Leasing costs expensed under the low value asset exemption	22,392	-
--	--------	---

**Note 4: Auditors Remuneration**

Remuneration of the auditor of the Association for:

- audit or review services	22,500	22,500
- assistance with ACAR application	9,000	-
- assistance with ACAR application	-	23,150
- other services	-	9,000
	<b>31,500</b>	<b>54,650</b>



**Australian Finnish Rest Home Association Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

	<b>2020</b>	<b>2019</b>
<b>Note 5: Cash and cash equivalents</b>	<b>\$</b>	<b>\$</b>
Cash on Hand	2,100	2,100
Cash at Bank	8,413,576	6,611,519
Cash at Bank – Capital Replacement Fund*	119,896	119,788
	<b>8,535,572</b>	<b>6,733,407</b>

**\*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.*

**Note 6: Trade and Other Receivables**

**Current Assets**

Debtor - Residents	88,253	45,364
Interest Receivable	3,627	8,857
GST Receivable	-	36,232
Debtor - Other	-	25,435
	<b>91,880</b>	<b>115,888</b>

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	7,272	11,569
	<b>7,272</b>	<b>11,569</b>

**Note 8: Other Assets**

**Current**

Prepayments	88,302	77,311
	<b>88,302</b>	<b>77,311</b>

**Australian Finnish Rest Home Association Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

<b>Note 9: Property, Plant and Equipment</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Freehold land:		
- At independent valuation	4,250,000	4,250,000
	<b>4,250,000</b>	<b>4,250,000</b>
Buildings:		
- At independent valuation	9,600,000	9,600,000
- At cost	68,576	35,430
- Less: Accumulated depreciation	(607,442)	(303,481)
	<b>9,061,134</b>	<b>9,331,949</b>
Furniture & Fittings:		
- At Cost	995,991	912,622
- Less: Accumulated depreciation	(471,682)	(420,515)
	<b>487,309</b>	<b>492,107</b>
Office Equipment		
- At Cost	234,623	213,786
- Less: Accumulated depreciation	119,573	(98,859)
	<b>115,051</b>	<b>114,927</b>
Plant and equipment:		
- At Cost	886,831	906,907
- Less: Accumulated depreciation	673,817	(626,960)
	<b>213,014</b>	<b>279,947</b>
Motor vehicles:		
- At cost	204,348	204,348
- Less: Accumulated depreciation	(199,249)	(197,240)
	<b>5,100</b>	<b>7,108</b>
Work in Progress:		
- At cost	228,549	47,526
	<b>228,549</b>	<b>47,526</b>
<b>Total Property, Plant and Equipment*</b>	<b>14,360,157</b>	<b>14,523,564</b>

*\*All assets above excluding Office Equipment, Motor vehicles and a small portion of Land and Buildings occupied by offices are used in providing residential aged care and the independent living units. Therefore these assets are under operating leases with the residents.*

**Australian Finnish Rest Home Association Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

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
<b>Balance at 1 July 2019</b>	4,250,000	9,331,949	492,107	114,927	279,947	7,108	47,526	14,523,564
<b>Additions</b>	-	-	4,569	20,836	17,713	-	214,169	257,287
<b>Asset Revaluation</b>	-	-	-	-	-	-	-	-
<b>Depreciation Expense</b>	-	(303,961)	(45,687)	(20,712)	(48,326)	(2,008)	-	(420,694)
<b>Disposals</b>	-	-	-	-	-	-	-	-
<b>Transfers</b>	-	33,146	36,320	-	(36,320)	-	(33,146)	-
<b>Balance at 30 June 2020</b>	4,250,000	9,061,134	487,309	115,051	213,014	5,100	228,549	14,360,157

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**

	<b>2020</b>	<b>2019</b>
	\$	\$
Unsecured		
- Trade creditors	117,692	87,306
- GST Payable	9,446	43,609
- Sundry Creditors	238,821	189,340
- Contract Liabilities – Unexpended Grants	263,696	102,329
- Income Received in Advance	245	1,953
	<u>629,900</u>	<u>424,537</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 2020**

<b>Note 11: Provisions</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Employee Entitlements	434,477	399,343
<b>Non-Current</b>		
Employee Entitlements	79,568	77,216
	<u><b>514,045</b></u>	<u><b>476,559</b></u>

*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 (j).*

**Note 12: Other Liabilities**

**Current**

Residents Funds		
- Refundable Accommodation Bonds/Deposits	5,204,187	4,396,857
- ILU Occupants' Contributions	6,145,257	5,510,058
	<u><b>11,349,444</b></u>	<u><b>9,906,915</b></u>

**Note 13: Reserves**

Asset Revaluation Reserve:

Opening balance at beginning of financial year	10,814,946	10,814,946
Movement during the financial year	-	-
Closing Balance at end of financial year	<u><b>10,814,946</b></u>	<u><b>10,814,946</b></u>

*The asset revaluation reserve records revaluations of non-current assets. No revaluation has been performed during the year.*

**Australian Finnish Rest Home Association Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

**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 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2020 \$	2019 \$
<b>Financial Assets</b>			
Cash and cash equivalents	5	8,535,572	6,733,407
Trade and other receivables	6	91,880	115,888
		<u>8,627,452</u>	<u>6,849,295</u>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost:			
- trade and other payables	10	365,959	320,255
- other liabilities	12	11,349,444	9,906,915
		<u>11,715,403</u>	<u>10,227,170</u>

Refer to Note 15 for detailed disclosures regarding the fair value measurements of the Association'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.

**Recurring Fair Value Measurements**

**Financial Assets**

Financial Assets at fair value through profit or loss:

- shares in listed corporations -

**Property, Plant & Equipment**

Freehold Land	4,250,000	4,250,000
Freehold Buildings	9,600,000	9,600,000
	<u>13,850,000</u>	<u>13,850,000</u>

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 2020**

**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:

<b>Segment</b>	<b>Activities</b>
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 Scandinavian 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 2020**

2020	Management	Villas	Residential Aged Care	Home Support Services	Trading Operations	Consolidated
	\$	\$	\$	\$	\$	\$
<b>INCOME</b>						
Resident Fees	-	131,311	978,333	211,729	-	1,321,373
Interest Earned	32,527	108	51	18	-	32,704
Government Subsidies	29,800	-	3,142,311	1,775,511	-	4,947,622
Accommodation Income	324,081	-	230,449	-	-	554,530
Donations	1,797	-	-	-	-	1,797
Membership Fees	3,717	-	-	-	-	3,717
Sundry Income	5,467	-	117,298	14,675	180,713	318,153
<b>Total Income</b>	<b>397,389</b>	<b>131,419</b>	<b>4,468,442</b>	<b>2,001,933</b>	<b>180,713</b>	<b>7,179,896</b>
<b>EXPENDITURE</b>						
Care Employee Expenses	-	37,362	2,807,690	1,265,595	-	4,110,647
Admin Employee Expenses	8,903	-	495,474	223,340	169,445	897,162
Depreciation and Amortisation	141,824	-	270,990	6,130	1,750	420,694
Catering Expenses	-	-	185,765	-	70,355	256,120
Repairs & Maintenance	10,147	29,862	95,696	1,492	12,392	149,589
Seminars & Training	3,599	188	15,463	9,849	516	29,615
Capital Gain Paid to Villa Residents on exit	282,250	-	-	-	-	282,250
Other Expenses	47,138	88,323	688,262	258,571	15,459	1,097,753
<b>Total Expenditure</b>	<b>493,861</b>	<b>155,735</b>	<b>4,559,340</b>	<b>1,764,977</b>	<b>269,917</b>	<b>7,243,830</b>
<b>RESULT FOR THE YEAR</b>	<b>(96,472)</b>	<b>(24,316)</b>	<b>(90,898)</b>	<b>236,956</b>	<b>(89,204)</b>	<b>(63,934)</b>

**Australian Finnish Rest Home Association Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

2020	Management	Villas	Residential Aged Care	Home Support Services	Trading Operations	Consolidated
	\$	\$	\$	\$	\$	\$
<b>SEGMENT ASSETS</b>						
Cash	3,355,169	119,895	5,057,424	2,484	600	8,535,572
Trade Receivables	725	-	72,780	18,375	-	91,880
Inventories	-	-	-	-	7,272	7,272
Other Current Assets	-	-	70,641	17,661	-	88,302
<b>Total Current Assets</b>	<b>3,355,894</b>	<b>119,895</b>	<b>5,200,845</b>	<b>38,520</b>	<b>7,872</b>	<b>8,723,026</b>
Property, Plant & Equipment	13,539,684	-	627,837	168,174	24,462	14,360,157
<b>Total Non-Current Assets</b>	<b>13,539,684</b>	<b>-</b>	<b>627,837</b>	<b>168,174</b>	<b>24,462</b>	<b>14,360,157</b>
<b>TOTAL ASSETS</b>	<b>16,895,578</b>	<b>119,895</b>	<b>5,828,682</b>	<b>206,694</b>	<b>32,334</b>	<b>23,083,183</b>
<b>SEGMENT LIABILITIES</b>						
Trade Payables	-	-	292,963	336,937	-	629,900
Provisions for Leave	-	-	347,582	86,895	-	434,477
Accommodation Bonds / Deposits	-	-	5,204,187	-	-	5,204,187
Entry Contributions	6,145,257	-	-	-	-	6,145,257
<b>Total Current Liabilities</b>	<b>6,145,257</b>	<b>-</b>	<b>5,844,732</b>	<b>423,832</b>	<b>-</b>	<b>12,413,821</b>
Provisions for Leave	-	-	63,654	15,914	-	79,568
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>63,654</b>	<b>15,914</b>	<b>-</b>	<b>79,568</b>
<b>TOTAL LIABILITIES</b>	<b>6,145,257</b>	<b>-</b>	<b>5,908,386</b>	<b>439,746</b>	<b>-</b>	<b>12,493,389</b>
<b>NET ASSETS</b>	<b>10,750,321</b>	<b>119,895</b>	<b>(79,704)</b>	<b>(233,052)</b>	<b>32,334</b>	<b>10,589,794</b>



**Australian Finnish Rest Home Association Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

2019	Management	Villas	Residential Aged Care	Home Support Services	Trading Operations	Consolidated
	\$	\$	\$	\$	\$	\$
<b>INCOME</b>						
Resident Charges	-	137,245	1,142,145	228,773	-	1,508,163
Interest Received	77,338	481	50,814	117	-	128,750
Government Subsidies	-	-	3,133,096	1,722,940	-	4,856,036
Capital Grants Received	-	-	-	-	-	-
Deferred Management Fees	277,570	-	-	-	-	277,570
Bond Retentions	-	-	-	-	-	-
Donations	12,637	-	-	-	-	12,637
Sundry Income	11,860	969	85,793	30	240,819	339,471
<b>Total Income</b>	<b>379,405</b>	<b>138,695</b>	<b>4,411,848</b>	<b>1,951,860</b>	<b>240,819</b>	<b>7,122,627</b>
<b>EXPENDITURE</b>						
Care Employee Expenses	-	60,786	2,696,193	1,035,540	-	3,792,519
Admin Employee Expenses	8,877	-	443,544	345,179	203,858	1,001,458
Depreciation and Amortisation	142,512	-	283,670	6,800	4,365	437,347
Catering Expenses	-	-	169,937	-	94,724	264,661
Repairs & Maintenance	21,614	5,981	112,498	55	11,038	151,186
Seminars & Training	3,382	196	23,580	14,470	457	42,085
Capital Gain Paid to Villa Residents on exit	165,000	-	-	-	-	165,000
Other Expenses	67,096	79,909	499,770	411,329	11,204	1,069,308
<b>Total Expenditure</b>	<b>408,481</b>	<b>146,872</b>	<b>4,229,192</b>	<b>1,813,373</b>	<b>325,646</b>	<b>6,923,564</b>
<b>RESULT FOR THE YEAR</b>	<b>(29,076)</b>	<b>(8,177)</b>	<b>182,656</b>	<b>138,487</b>	<b>(84,827)</b>	<b>199,063</b>

**Australian Finnish Rest Home Association Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

2019	Management	Villas	Residential Aged Care	Home Support Services	Trading Operations	Consolidated
	\$	\$	\$	\$	\$	\$
<b>SEGMENT ASSETS</b>						
Cash	3,306,215	119,788	3,281,342	25,362	700	6,733,407
Trade Receivables	1,771	-	67,762	46,355	-	115,888
Inventory	-	-	-	-	11,569	11,569
Other Current Assets	-	-	61,849	15,462	-	77,311
<b>Total Segment Current Assets</b>	<b>3,307,986</b>	<b>119,788</b>	<b>3,410,953</b>	<b>87,179</b>	<b>12,269</b>	<b>6,938,175</b>
Property, Plant & Equipment	13,629,475	-	681,909	184,504	27,676	14,523,564
<b>Total Segment Non-Current Assets</b>	<b>13,629,475</b>	<b>-</b>	<b>681,909</b>	<b>184,504</b>	<b>27,676</b>	<b>14,523,564</b>
<b>TOTAL SEGMENT ASSETS</b>	<b>16,937,461</b>	<b>119,788</b>	<b>4,092,862</b>	<b>271,683</b>	<b>39,945</b>	<b>21,461,739</b>
<b>SEGMENT LIABILITIES</b>						
Trade Payables	-	-	258,157	166,380	-	424,537
Provisions for Leave	-	-	313,024	86,319	-	399,343
Accommodation Bonds / Deposits	-	-	4,396,857	-	-	4,396,857
Entry Contributions	5,510,058	-	-	-	-	5,510,058
Other Current Liabilities	-	-	-	-	-	-
<b>Total Segment Current Liabilities</b>	<b>5,510,058</b>	<b>-</b>	<b>4,968,038</b>	<b>252,699</b>	<b>-</b>	<b>10,730,795</b>
Provisions for Leave	-	-	61,773	15,443	-	77,216
<b>Total Segment Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>61,773</b>	<b>15,443</b>	<b>-</b>	<b>77,216</b>
<b>TOTAL SEGMENT LIABILITIES</b>	<b>5,510,058</b>	<b>-</b>	<b>5,029,811</b>	<b>268,142</b>	<b>-</b>	<b>10,808,011</b>
<b>SEGMENT NET ASSETS</b>	<b>11,427,403</b>	<b>119,788</b>	<b>(936,949)</b>	<b>3,541</b>	<b>39,945</b>	<b>10,653,728</b>

**Australian Finnish Rest Home Association Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

**Note 18: Cash Flow Information**

**Reconciliation of Cash Flow from Operations with Surplus / (Loss)**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Operating profit/(loss)</b>	(63,934)	199,063
<b>Non-cash flows in profit from Ordinary Activities</b>		
Depreciation and Amortisation	420,694	437,347
Deferred Management Fees Received	(324,080)	(277,570)
<b>Changes in assets and liabilities</b>		
(Increase)/Decrease in receivables	24,008	119,644
(Increase)/Decrease in inventories	4,297	(368)
(Increase)/Decrease in prepayments	(10,991)	(20,777)
Increase/(Decrease) in payables	205,363	(45,375)
Increase/(Decrease) in provisions	37,486	8,463
<b>Net cash provided by/(used in) operating activities</b>	<b><u>292,843</u></b>	<b><u>420,427</u></b>

**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 the 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

**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.

**Australian Finnish Rest Home Association Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

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**

The association entered into a contract for \$2,867,390 for the construction of new wing on site at Finlandia Village Aged Care Complex – 343 Cleveland Redland Bay Road, Thornlands, QLD 4164. Future payments under the contract as at reporting date are:

	<b>2020</b>	<b>2019</b>
	\$	\$
Within one year	2,867,390	-
After one year but not more than five years	-	-
More than five years	-	-
	<b>2,867,390</b>	<b>-</b>

**Note 23: Coronavirus (COVID-19) Pandemic**

The Association has been monitoring the impact of COVID-19 on its operations. Estimates and judgments used in preparing the financial report have considered the impact of COVID-19 up to the date of signing the financial report and the latest available information.

Given the uncertainty created by COVID-19, there may be further impacts that have not been considered. The Association is not in a position to determine the full impact that COVID-19 will have on its operations, or quantify any financial impact.

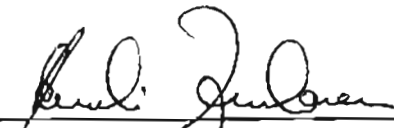
**Australian Finnish Rest Home Association Inc**  
**A.B.N. 26 587 653 803**

**Statement by Members of the Committee**

In the opinion of the Committee the financial report as set out on pages 2 to 27:

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 2020 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 .....<sup>24</sup>..... day of September 2020.

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

**TO THE MEMBERS OF THE COMMITTEE OF  
AUSTRALIAN FINNISH REST HOME ASSOCIATION INC**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 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.*

Bentleys Brisbane (Audit) Pty Ltd  
Chartered Accountants

*Ashley Carle*

Ashley Carle  
Partner  
Brisbane  
8 September 2020

**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 2020 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 2020 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 confirm that the independence declaration, which has been given to the Committee of the Association, would be in the same terms if given to the Committee as at the time of this auditor's report.

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.

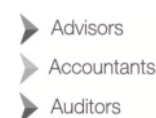
The Committee is responsible for overseeing the association's financial reporting process.

**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.



A member of Bentleys, a network of independent advisory and accounting firms located throughout Australia, New Zealand and China that trade as Bentleys. All members of the Bentleys Network are affiliated only, are separate legal entities and not in partnership. Liability limited by a scheme approved under Professional Standards Legislation. A member of Allinial Global – an association of independent accounting and consulting firms.



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



**Auditor's Responsibility (Cont'd)**

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.

A handwritten signature in blue ink that reads "Bentleys".

Bentleys Brisbane (Audit) Pty Ltd  
Chartered Accountants

A handwritten signature in blue ink that reads "Ashley Carle".

Ashley Carle  
Partner  
Brisbane  
15 September 2020



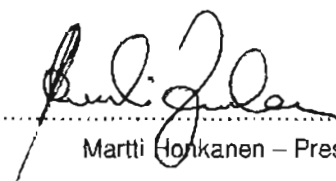
**Australian Finnish Rest Home Association Inc**  
**A.B.N. 26 587 653 803**  
**Independent Living Units General Services Fund**  
**Statement by Committee**

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 2020 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 2020 the General Services Fund with a balance of (\$877) 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 8 September 2020:

  
.....  
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 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b><u>Income</u></b>		
Resident Fees	142,971	133,669
Sundry Income	-	969
<b>Total Income</b>	<b>142,974</b>	<b>134,638</b>
<b><u>Expenses</u></b>		
Accounting & Audit Remuneration Fees	1,616	1,727
Cleaning & Materials	-	-
Computer Software & IT Expenditure	7,056	6,448
Insurance	13,413	10,580
Telephone & Emergency Call	8,474	8,794
Utilities – Rates, Electricity & Gas	57,763	52,360
Repairs & Maintenance	5,439	3,981
Wages, Superannuation & Employment Costs	37,550	60,982
Transfer to GSL	10,786	-
<b>Total Expenditure</b>	<b>131,311</b>	<b>144,872</b>
<b>Profit/(Loss)</b>	<b>11,663</b>	<b>(10,234)</b>
GSF Deficit from Previous Year Recovered	-	3,576
<b>Profit/(Loss) from Operations</b>	<b>11,663</b>	<b>(6,658)</b>

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 Assets and Liabilities**  
**As at 30 June 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Current Assets</b>		
Cash at Bank	10,786	-
Sundry Debtors	-	-
<b>Total Current Assets</b>	<b>10,786</b>	<b>-</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	-	-
<b>Total Non-Current Assets</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>10,786</b>	<b>-</b>
<b>Current Liabilities</b>		
Loan from AFRHA	-	877
<b>Total Current Liabilities</b>	<b>-</b>	<b>877</b>
<b>Non-Current Liabilities</b>		
Provisions	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>-</b>	<b>877</b>
<b>Net Assets</b>	<b>10,786</b>	<b>(877)</b>
<b>Equity</b>		
Retained earnings	10,786	(877)
Reserves	-	-
<b>Total Equity</b>	<b>10,786</b>	<b>(877)</b>

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 2020**

	Retained Surplus \$	Other Reserves \$	Total \$
<b>Balance at 30 June 2018</b>	<u>5,781</u>	<u>-</u>	<u>5,781</u>
Net surplus/(loss)	(6,658)	-	(6,658)
<b>Balance at 30 June 2019</b>	<u>(877)</u>	<u>-</u>	<u>(877)</u>
Net surplus/(loss)	11,663	-	11,663
<b>Balance at 30 June 2020</b>	<u>10,786</u>	<u>-</u>	<u>10,786</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.

**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 2020 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 2020 and its Income and Expenditure for the year then ended, in accordance with the *Retirement Villages Act 1999* and 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  
Partner  
Brisbane,  
15 September 2020

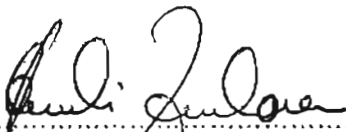
**Australian Finnish Rest Home Association Inc**  
**A.B.N. 26 587 653 803**  
**Independent Living Units Maintenance Reserve Fund**  
**Statement by Committee**

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 2020 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 2020 the Maintenance Reserve Fund with a balance of \$30,074 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 8 September 2020:

  
.....  
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 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b><u>Income</u></b>		
Resident Contributions	29,653	27,774
Interest Received	-	-
<b>Total Income</b>	<b>29,653</b>	<b>27,774</b>
<b><u>Expenses</u></b>		
Accounting & Audit Fees	-	-
Bank Charges	40	120
Fees & Registrations	-	-
Repairs & Maintenance	21,322	27,961
Sundry Expenses	-	-
<b>Total Expenditure</b>	<b>21,362</b>	<b>28,081</b>
<b>Profit/(Loss)</b>	<b>8,291</b>	<b>(307)</b>

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 2020**

	2020	2019
	\$	\$
<b>Current Assets</b>		
Cash at Bank	30,074	21,783
<b>Total Current Assets</b>	<u>30,074</u>	<u>21,783</u>
<b>Non-Current Assets</b>		
Property, plant and equipment	-	-
<b>Total Non-Current Assets</b>	<u>-</u>	<u>-</u>
<b>Total Assets</b>	<u><u>30,074</u></u>	<u><u>21,783</u></u>
<b>Current Liabilities</b>		
Bank Overdraft	-	-
Other current liabilities	-	-
<b>Total Current Liabilities</b>	<u>-</u>	<u>-</u>
<b>Non-Current Liabilities</b>		
Provisions	-	-
<b>Total Non-Current Liabilities</b>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<u><u>-</u></u>	<u><u>-</u></u>
<b>Net Assets</b>	<u><u>30,074</u></u>	<u><u>21,783</u></u>
<b>Equity</b>		
Retained earnings	30,074	21,783
Reserves	-	-
<b>Total Equity</b>	<u><u>30,074</u></u>	<u><u>21,783</u></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 2020**

	Retained Surplus \$	Other Reserves \$	Total \$
<b>Balance at 30 June 2018</b>	<b>22,090</b>	-	<b>22,090</b>
Net surplus/(loss)	(307)	-	(307)
<b>Balance at 30 June 2019</b>	<b>21,783</b>	-	<b>21,783</b>
Net surplus/(loss)	8,291	-	8,291
<b>Balance at 30 June 2020</b>	<b>30,074</b>	-	<b>30,074</b>

**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 2020 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 2020 and its Income and Expenditure for the year then ended, in accordance with the *Retirement Villages Act 1999* and 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  
Partner  
Brisbane  
15 September 2020

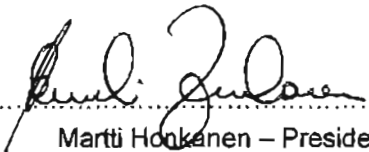
**Australian Finnish Rest Home Association Inc**  
**A.B.N. 26 587 653 803**  
**Independent Living Units Capital Replacement Fund**  
**Statement by Committee**

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 2020 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 2020 the Capital Replacement Fund with a balance of \$18,089 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 ~~8<sup>th</sup>~~ September 2020:

  
.....  
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 2020**

	Note	2020 \$	2019 \$
<b><u>Income</u></b>			
Interest Received		108	481
<b>Total Income</b>		<b>108</b>	<b>481</b>
<b><u>Expenses</u></b>			
Accounting & Audit Fees		-	-
Bank Charges		-	-
Fees & Registrations		-	-
Capital Replacements		24,423	2,000
<b>Total Expenditure</b>		<b>24,423</b>	<b>2,000</b>
<b>Profit/(Loss) before income tax</b>		<b>(24,315)</b>	<b>(1,519)</b>
Income tax expense		-	-
<b>Profit/(Loss) from Operations</b>		<b>(24,315)</b>	<b>(1,519)</b>

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 2020**

	Note	2020 \$	2019 \$
<b>Current Assets</b>			
Cash at Bank		119,895	119,788
Sundry Debtors		-	-
<b>Total Current Assets</b>		<b>119,895</b>	<b>119,788</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		-	-
<b>Total Non-Current Assets</b>		<b>-</b>	<b>-</b>
<b>Total Assets</b>		<b>119,895</b>	<b>119,788</b>
<b>Current Liabilities</b>			
Trade and other Payables		-	-
Other current liabilities (Loan from AFRHA)		101,806	77,384
<b>Total Current Liabilities</b>		<b>101,806</b>	<b>77,384</b>
<b>Non-Current Liabilities</b>			
Provisions		-	-
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>101,806</b>	<b>77,384</b>
<b>Net Assets</b>		<b>18,089</b>	<b>42,404</b>
<b>Equity</b>			
Retained earnings		18,089	42,404
Reserves		-	-
<b>Total Equity</b>		<b>18,089</b>	<b>42,404</b>

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 2020**

	Retained Surplus \$	Other Reserves \$	Total \$
<b>Balance at 30 June 2018</b>	<u>43,923</u>	<u>-</u>	<u>43,923</u>
Net surplus/(loss)	(1,519)	-	(1,519)
<b>Balance at 30 June 2019</b>	<u>42,404</u>	<u>-</u>	<u>42,404</u>
Net surplus/(loss)	(24,315)	-	(24,315)
<b>Balance at 30 June 2020</b>	<u>18,089</u>	<u>-</u>	<u>18,089</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 2020 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 2020 and its Income and Expenditure for the year then ended, in accordance with the *Retirement Villages Act 1999* and 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  
Partner  
Brisbane  
15 September 2020

## CONTACT DETAILS



# AFFRHA

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](mailto:info@finncare.org.au)

Board: [secretary@finncare.org.au](mailto: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.***

---