

Toosey Limited

Financial Report

For the Year Ended 30 June 2012

Toosey Limited
Financial Report

For the Year Ended 30 June 2012

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Toosey Limited

ABN: 35 083 146 865

Address: PO Box 135, Longford, Tasmania

Telephone: (03) 6391 1202

Directors' Report

30 June 2012

Your directors present this report on the company for the financial year ended 30 June 2012.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Names

Glenn Tulich
Vina Kathryn Henry
Maree Bricknell
Robert Bradley
Jenny Morrison
Trevor Forshaw

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activities of Toosey Limited during the financial year were to provide quality and flexible aged care services to meet the needs of the Northern Midlands community.

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

The company's short term objectives are to:

- provide residential aged care services in the local community
- provide services through the delivery of Community Aged Care Packages and Department Veterans Affairs community based services
- provide services to the community through the provision of a day centre for older Australians living in Longford and surrounds.

The company's long term objectives are to:

- promote community health care; and
- provide health care services including:
 - (i) aged and sub acute care at the Toosey Hospital; and
 - (ii) health care to people in their homes

To achieve these objectives, the company has adopted the following strategies:

- provision of sound governance of all services
- to be a significant provider with appropriate economics of scale for sustainability
- to have a strategic alliance with larger provider
- to ensure we have appropriate structure
- to strengthen board governance
- ensuring a positive ongoing relationship with our provider that ensures a shared commitment to achieving Toosey's vision, purpose and goals
- to maintain financial viability
- to develop a transport strategy for client use
- to develop and implement a communications and marketing strategy that continues to position Toosey as a well recognised and highly valued organisation in the community
- to foster a positive proactive relationship with the community for mutual benefit
- to build and maintain inter government relationships
- to review our options to manage other aged care and community services.

Directors' Report

30 June 2012

Auditors Independence Declaration

The auditors independence declaration for the year ended 30 June 2012 has been received and can be found on page 4 of the financial report.

Information on Directors

Glenn Tulich	Chairman
Qualifications	Bachelor of Agricultural Economics
Experience	Director since 26 July 2005. Chairman since 18 December 2007.
Vina Kathryn Henry	Vice Chair
Experience	Director since 28 November 2000. Public Officer. Chairman Toosey Foundation.
Special Responsibilities	Communications, Marketing and Relationships
Maree Bricknell	
Qualifications	Bachelor of Commerce. Certified Practising Accountant. Justice of the Peace.
Experience	Director since 25 March 2008
Special Responsibilities	Financial stability
Robert Bradley	
Qualifications	Bachelor of Business Agricultural Commerce.
Experience	Director since 18 December 2007
Special Responsibilities	Infrastructure Provision and Management
Jenny Morrison	
Qualifications	Bachelor of Nursing. Gerontology certificate. Certificate in Rural Office Management.
Experience	Director since 20 January 2009
Special Responsibilities	Communications, Marketing and Relationships
Trevor Forshaw	
Qualifications	Bachelor Business (Accounting). Dip Taxation, M.B.A. Certificate IV TAA, CA, GAICD
Experience	Director since 27 April 2009
Special Responsibilities	Corporate Governance and Risk

Directors' Report

30 June 2012

Meetings of Directors

During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

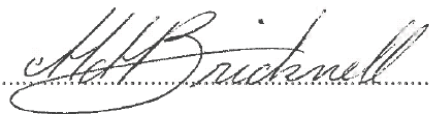
	Directors' Meetings	
	Eligible to attend	Number attended
Glenn Tulich	12	12
Vina Kathryn Henry	12	12
Maree Bricknell	12	10
Robert Bradley	12	9
Jenny Morrison	12	12
Trevor Forshaw	12	7

Members' Liability

Toosey Limited is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$5 each towards meeting any outstanding obligations of the company. As 30 June 2012 the collective liability of members was \$1,085

Signed in accordance with a resolution of the Board of Directors:

Direct 

Direct 

Dated 31 October 2012

AUDITOR'S INDEPENDENCE DECLARATION

Offices at Hobart, Devonport,
Burnie & Smithton

launceston@whk.com.au
www.whk.com.au

WHK Audit
ABN 55 418 676 841

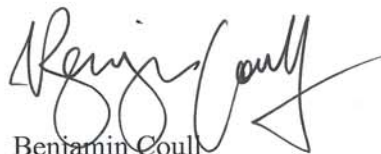
To the directors of Toosey Ltd

I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001; and
- (b) no contraventions of any applicable code of professional conduct

in relation to our audit for the year ended 30 June 2012.

WHK
WHK


Benjamin Coull
Partner

Launceston

Date: 31 October 2012

Statement of Comprehensive Income

For the Year Ended 30 June 2012

	2012 \$	2011 \$
REVENUE		
Resident fees	982,476	1,036,424
Government funding	2,974,456	2,815,233
Interest revenue	189,207	187,071
Other revenue	86,723	133,013
Total revenue	4,232,862	4,171,741
EXPENSES		
Administration	74,411	55,366
Employee costs	2,494,461	2,422,401
Depreciation, amortisation and impairments	214,506	202,701
Utilities	127,675	97,867
Insurance	108,098	57,082
Interest	-	5,986
Communication	33,071	28,510
Management fee	222,000	369,270
Medical, therapy and continence	83,298	79,035
Catering	166,155	163,330
Property and vehicle expenses	140,990	152,099
Cleaning and waste disposal	47,082	41,501
Contractors	34,605	25,901
Other expenses	94,776	66,316
Total expense	(3,841,128)	(3,767,367)
Net surplus / (deficit)	391,734	404,374
Other comprehensive income		
Other comprehensive income for the year	-	-
Total comprehensive income for the year	391,734	404,374

Statement of Financial Position

As At 30 June 2012

	Note	2012 \$	2011 \$
Current assets			
Cash	3	3,819,004	3,546,021
Trade and other receivables	4	196,851	129,372
Prepayments		12,330	24,953
Total current assets		4,028,185	3,700,346
Non-current assets			
Property, plant and equipment	5	5,880,308	6,074,108
Total non-current assets		5,880,308	6,074,108
TOTAL ASSETS		9,908,493	9,774,454
Current liabilities			
Trade and other payables	6	486,580	467,607
Financial liabilities	7	447,581	531,958
Total current liabilities		934,161	999,565
Non-current liabilities			
Financial liabilities	7	1,505,832	1,698,122
Total non-current liabilities		1,505,832	1,698,122
TOTAL LIABILITIES		2,439,993	2,697,687
NET ASSETS		7,468,500	7,076,767
EQUITY			
Accumulated funds		6,845,884	6,454,151
Reserves		622,616	622,616
TOTAL EQUITY		7,468,500	7,076,767

This statement should be read in conjunction with the accompanying notes

Toosey Limited

Statement of Changes in Equity

For the Year Ended 30 June 2012

	Accumulated Funds	Asset Revaluation Reserve	Total
	\$	\$	\$
2012			
Balance at 1 July 2011	6,454,151	622,616	7,076,767
Net surplus	391,732	-	391,732
Balance as at 30 June 2012	6,845,884	622,616	7,468,500
2011			
Balance at 1 July 2010	6,049,777	622,616	6,672,393
Net surplus	404,374	-	404,374
Balance as at 30 June 2011	6,454,151	622,616	7,076,767

This statement should be read in conjunction with the accompanying notes

Statement of Cash Flows

For the Year Ended 30 June 2012

	2012	2011
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Resident fees received	958,892	1,212,669
Payments to suppliers	(1,455,980)	(1,271,022)
Government funding	2,960,050	2,804,061
GST Refunds	266,279	308,158
Interest paid	-	(5,986)
Interest received	189,207	187,071
Payments to employees	(2,529,066)	(2,448,302)
Other receipts	56,008	129,520
Net cash provided by (used in) operating activities	<u>445,390</u>	<u>916,169</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property, plant and equipment	<u>(20,707)</u>	<u>(245,162)</u>
Net cash used by investing activities	<u>(20,707)</u>	<u>(245,162)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Accommodation bonds received	175,000	460,731
Accommodation bonds refunded	(326,700)	(562,608)
Net cash used by financing activities	<u>(151,700)</u>	<u>(101,877)</u>
Net increase (decrease) in cash and cash equivalents held	272,983	569,130
Cash and cash equivalents at beginning of year	<u>3,546,021</u>	<u>2,976,891</u>
Cash and cash equivalents at end of financial year	3 <u><u>3,819,004</u></u>	<u><u>3,546,021</u></u>

This statement should be read in conjunction with the accompanying notes

Notes to the Financial Statements

For the Year Ended 30 June 2012

1 Statement of Significant Accounting Policies

Toosey Limited has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 July 2010.

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards' reduced disclosure requirements of the Australian Accounting Standards Board.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historic costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Revenue

Revenue from fees for services provided to residents is recognised upon billing of the service to the resident. Any fees received in advance of the payment falling due are treated as a liability.

Government funding is recognised as revenue in the period in which the service to which the grant relates is to be provided, or when conditions attaching to the funding have been satisfied.

Interest revenue is recognised on a proportional basis, taking into account the interest rates applicable to the financial assets.

Accommodation bond retentions are recognised on an annual basis as permitted in the accommodation bond agreements.

Other revenue items, including donations, bequests and fundraising are recognised on receipt.

(b) Income tax

The company has not adopted the principles of tax-effect accounting as it has received notification of its exemption from income tax under section 50-30 of the Australian Income Tax Assessment Act 1997.

(c) Cash

For the purposes of the statement of cash flows, cash includes cash on hand, cash at bank and deposits at call or with maturity terms of less than 30 days, net of outstanding bank overdrafts.

Notes to the Financial Statements

For the Year Ended 30 June 2012

1 Statement of Significant Accounting Policies (continued)

(d) Property, plant and equipment

Basis of measurement

Land and buildings (excluding Independent Living Units) are measured at cost less accumulated depreciation. Independent Living Units are measured at valuation less accumulated depreciation. Other items of plant and equipment are measured at depreciated cost. The carrying amount of property, plant and equipment is reviewed annually by the board to ensure that it is not in excess of the recoverable amount of these assets. The recoverable amount of an asset is the net amount expected to be recovered through the net cash inflows from its continued use and subsequent disposal. In determining the recoverable amount of non-current assets the net cash flows have not been discounted to their present value.

Depreciation

With the exception of freehold land, all items of buildings, plant and equipment are depreciated over the expected useful life of each asset using the diminishing value basis.

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

Buildings (kitchen upgrade)	6.75%
Buildings (aged care facility)	2%
Buildings (Independent Living Units)	2%
Plant and equipment	7.5 - 37.5%
Motor vehicles	15%
Furniture, Fixtures and Fittings	10%
Computer Equipment	33.33%

(e) Accommodation bonds

Residential Aged Care

The company receives accommodation bonds from residential aged care residents classified as low-care. These bonds are provided to assist the company in providing capital infrastructure, and are initially recognised as a liability. In accordance with resident agreements, a portion of the bonds are recognised as revenue proportionately using rates as set by the the Department of Health and Ageing. In the event of the resident departing the facility, the unamortised portion of the bond is refunded.

Independent Living Units

Residents of the Independent Living Units owned by the company pay an entry contribution to secure the right to occupy the residence. The initial value of the entry contribution is determined by a recent independent valuation which is performed when a unit is vacated, with the total leasehold liability subsequently carried at government municipal valuation (last valuation performed in September 2006). A portion of the leasehold deposit is retained by the company (recognised when the resident departs), with the balance refunded to residents on their departure along with a share of any increase in market value experienced during the period of residence.

Notes to the Financial Statements

For the Year Ended 30 June 2012

2 Segment Reporting

2012

	Residential Aged Care	Unallocated	Total
	\$	\$	\$
Segment Revenue			
Fee income	776,924	30,700	807,624
Government funding	2,411,888	151,800	2,563,688
Other operating income	22,430	213,700	236,130
Capital income	529,388	92,688	622,076
Non-operating income	3,344	-	3,344
	<hr/>	<hr/>	<hr/>
Total Revenue	3,743,974	488,888	4,232,862
Segment Expenses			
Care employee expenses	1,749,879	170,112	1,919,991
Other employment expenses	590,316	59,919	650,235
Administration	297,884	50,993	348,877
Depreciation and amortisation	173,750	40,756	214,506
Other	624,216	83,305	707,521
	<hr/>	<hr/>	<hr/>
Total Expenses	3,436,045	405,085	3,841,130
Segment Result	307,929	83,803	391,732
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Segment Assets			
Current	3,528,185	500,000	4,028,185
Non-current	4,479,056	1,401,252	5,880,308
	<hr/>	<hr/>	<hr/>
	8,007,241	1,901,252	9,908,493
Segment Liabilities			
Current - accommodation bonds	244,024	-	244,024
Current - other	486,580	203,557	690,137
Non-current - accommodation bonds	488,047	-	488,047
Non-current - other	-	1,017,785	1,017,785
	<hr/>	<hr/>	<hr/>
	1,218,651	1,221,342	2,439,993
Segment Net Assets	6,788,590	679,910	7,468,500
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Notes to the Financial Statements

For the Year Ended 30 June 2012

2 Segment Reporting (continued)

2011	Residential Aged Care	Unallocated	Total
	\$	\$	\$
Segment Revenue			
Resident charges	845,820	190,604	1,036,424
Government subsidies	2,666,809	148,424	2,815,233
Capital grants	2,500	-	2,500
Bond retentions	23,197	26,000	49,197
Interest income	61,315	125,756	187,071
Donations	5,213	-	5,213
Other	4,076	72,027	76,103
Total Revenue	3,608,930	562,811	4,171,741
Segment Expenses			
Care employee expenses	1,649,229	149,618	1,798,847
Other employment expenses	603,330	57,114	660,444
Management fees	320,593	48,677	369,270
Interest expense	5,986	-	5,986
Depreciation and amortisation	169,055	33,646	202,701
Other	637,581	92,538	730,119
Total Expenses	3,385,774	381,593	3,767,367
Segment Result	223,156	181,218	404,374
Segment Assets			
Current	2,746,515	953,831	3,700,346
Non-current	4,612,092	1,462,016	6,074,108
	7,358,607	2,415,847	9,774,454
Segment Liabilities			
Current - accommodation bonds	313,108	-	313,108
Current - other	86,838	380,775	467,613
Non-current - accommodation bonds	535,747	-	535,747
Non-current - other	-	1,381,219	1,381,219
	935,693	1,761,994	2,697,687
Segment Net Assets	6,422,914	653,853	7,076,767

Notes to the Financial Statements

For the Year Ended 30 June 2012

3 Cash

	2012	2011
	\$	\$
Cash on hand	750	500
Cash at bank - NAB	398,796	869,052
Cash at bank - Westpac	840,711	251,844
Investments and Accommodation Bonds	2,578,747	2,424,625
	<u>3,819,004</u>	<u>3,546,021</u>

4 Trade and Other Receivables

Trade receivables	57,410	33,826
Provision for impairment of receivables	(2,905)	(2,905)
	<u>54,505</u>	30,921
GST receivable	72,691	36,999
Accrued income	53,432	59,635
Government subsidy	16,223	1,817
	<u>196,851</u>	<u>129,372</u>

Notes to the Financial Statements

For the Year Ended 30 June 2012

5 Property, Plant and Equipment

	2012	2011
	\$	\$
LAND AND BUILDINGS		
Land and buildings at cost	5,435,273	5,405,273
Buildings at valuation	1,598,396	1,622,800
Less: accumulated depreciation	(1,426,493)	(1,280,741)
Total land and buildings	5,607,175	5,747,331
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	628,920	613,809
Less: accumulated depreciation	(396,245)	(336,503)
	232,675	277,306
Motor vehicles		
At cost	87,253	87,253
Less: accumulated depreciation	(46,795)	(37,782)
	40,458	49,471
Total plant and equipment	273,133	326,777
Total property, plant and equipment	5,880,308	6,074,108

Independent Living Units are carried at valuation, as per the latest Council Rate Notice Valuation (June 2006).

Movements in Carrying Amounts

	Land and Buildings at cost	Buildings (ILUs) at valuation	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Opening balance	4,469,741	1,277,590	277,306	49,471	6,074,108
Additions	-	5,595	15,112	-	20,707
Depreciation expense	(113,818)	(31,933)	(59,742)	(9,013)	(214,506)
Closing balance	4,355,923	1,251,252	232,675	40,458	5,880,308

Notes to the Financial Statements

For the Year Ended 30 June 2012

6 Trade and Other Payables

	2012	2011
	\$	\$
Trade creditors	435,153	27,824
Sundry creditors and accruals	51,427	439,783
	<u>486,580</u>	<u>467,607</u>

7 Financial Liabilities

CURRENT

Accommodation bonds refundable	244,024	313,108
Independent Living Units deposits refundable	203,557	218,850
	<u>447,581</u>	<u>531,958</u>

NON-CURRENT

Independent Living Units deposits refundable	1,017,785	1,162,375
Accommodation bonds refundable	488,047	535,747
	<u>1,505,832</u>	<u>1,698,122</u>

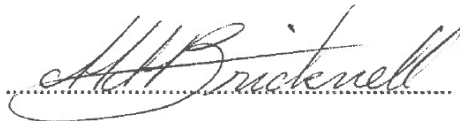
Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 15, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director.....



Dated

31 October 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOOSEY LIMITED

Offices at Hobart, Devonport,
Burnie & Smithton

launceston@whk.com.au
www.whk.com.au

WHK Audit
ABN 55 418 676 841

Report on the Financial Report

We have audited the accompanying financial report of Toosey Limited., which comprises the statement of financial position as at 30 June 2012, the statement of 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 directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

- (a) the financial report of Toosey Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) as described in Note 1 and the Corporations Regulations 2001.

WHK

WHK

Chartered Accountants

A handwritten signature in black ink, appearing to read 'Benjamin Coull', written over a faint circular stamp.

Benjamin Coull

Partner

Launceston

Date: 31 October 2012