

Toosey Limited

ABN: 35 083 146 865

Financial Report

For the Year Ended 30 June 2016

Toosey Limited

35 083 146 865

For the Year Ended 30 June 2016

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Toosey Limited

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Directors' Report

30 June 2016

Your Board members submit this financial report of the Company for the financial year ended 30 June 2016.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Appointed/Resigned
Vina Kathryn Henry	
Maree Bricknell	
Robert Bradley	
Trevor Forshaw	Resigned 1 May 2016
Nicholas d'Antoine	
Ian Herbert	

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

Information on directors

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

Vina Kathryn Henry

Experience	Chair. Director since 28 November 2000. Public Officer. Chair of 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

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Directors' Report

30 June 2016

Information on directors continued

Trevor Forshaw

Qualifications	Bachelor of Business (Accounting). Dip Taxation, MBA. Certificate IV TAA, CA, GAICD
Experience	Director Since 27 April 2009
Special Responsibilities	Corporate Governance and Risk

Nicholas d'Antoine

Experience	Director since 25 September 2012, 30 years experience as a company director
Special Responsibilities	Corporate Governance and Risk

Ian Herbert

Qualifications	Bachelor of Applied Science - Agriculture, Agronomy - Business Management
Experience	Director since 20 May 2014

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

Company secretary

The following person held the position of Company secretary at the end of the financial year:

Vina Kathryn Henry has been the company secretary since 2007.

Short term objectives

The Company's short term objectives are to:

- Provide residential aged care and primary health services in the local community;
- Provide services through the delivery of Home 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.

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Directors' Report

30 June 2016

Long term objectives

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 facility; and
 - (ii) health care to people in their homes.

Strategy for achieving the objectives

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

- preparation of a Strategic Plan
- 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 stakeholders that ensures a shared commitment to achieving Toosey's vision, purpose and goals;
- to maintain financial viability;
- to provide a transport service 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; and
- to review our options to manage other aged care and community services.

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Directors' Report

30 June 2016

Members guarantee

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.

At 30 June 2016 the collective liability of members was \$ 1,025 (2015: \$ 1,025).

Principal activities

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

Significant Changes

On 1 July 2016 Toosey exited the Management Agreement with St Ann's Homes, and commenced operations as an independent autonomous organisation. From 1 July 2016 Toosey became the employer of all staff at Toosey.

Operating result

The surplus of the Company for the financial year amounted to \$ 276,706 (2015: \$ 318,154). The surplus included non-operating costs in relation to the exit of the Management Agreement with St Ann's Homes and transition to internal systems and resources of \$150,000 (2015: \$ nil).

Meetings of directors

During the financial year, 11 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Kathy Henry	11	11
Maree Bricknell	11	11
Robert Bradley	11	8
Trevor Forshaw	9	9
Nicholas d'Antoine	11	8
Ian Herbert	11	9

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Toosey Limited.

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Directors' Report

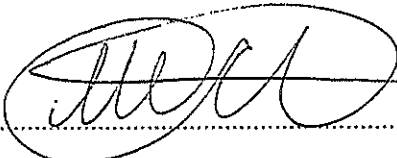
30 June 2016

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2016 has been received and can be found on page 7 of the financial report.

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

Director: V.K. Henry

Director: 

Dated this 20th day of October 2016.

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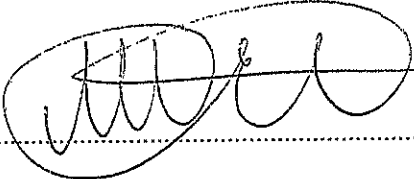
Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 8 to 29, 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 2016 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 *V. K. Henry*

Director 

Dated this *20th* day of *October* 2016.

AUDITOR'S INDEPENDENCE DECLARATION

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 2016.

CROWE HORWATH TASMANIA
CROWE HORWATH TASMANIA



Malcolm Matthews
Partner

Launceston

Date: 20/10/16

Toosey Limited

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Statement of Comprehensive Income

For the Year Ended 30 June 2016

	2016	2015
Note	\$	\$
Revenue	5,362,855	4,870,165
Employee benefits expense	(3,274,298)	(3,058,204)
Depreciation and amortisation expense	(219,453)	(205,798)
Other expenses	(1,592,398)	(1,288,009)
Profit before income tax	276,706	318,154
Income tax expense	-	-
Profit for the year	276,706	318,154
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	276,706	318,154

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As At 30 June 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	4,545,365	3,724,596
Trade and other receivables	4	926,500	169,537
Other financial assets	5	4,000,000	3,375,364
Other assets	6	166,641	69,512
TOTAL CURRENT ASSETS		<u>9,638,506</u>	<u>7,339,009</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	7,031,720	5,690,374
TOTAL NON-CURRENT ASSETS		<u>7,031,720</u>	<u>5,690,374</u>
TOTAL ASSETS		<u>16,670,226</u>	<u>13,029,383</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	218,249	144,205
Financial Liabilities	10	7,036,457	4,457,144
Employee provisions	9	627,451	-
TOTAL CURRENT LIABILITIES		<u>7,882,157</u>	<u>4,601,349</u>
NON-CURRENT LIABILITIES			
Employee provisions	9	83,329	-
TOTAL NON-CURRENT LIABILITIES		<u>83,329</u>	<u>-</u>
TOTAL LIABILITIES		<u>7,965,486</u>	<u>4,601,349</u>
NET ASSETS		<u>8,704,740</u>	<u>8,428,034</u>
EQUITY			
Reserves		622,616	622,616
Accumulated surpluses		8,082,124	7,805,418
TOTAL EQUITY		<u>8,704,740</u>	<u>8,428,034</u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2016

2016

	Retained Earnings	General Reserves	Total
	\$	\$	\$
Balance at 1 July 2015	7,805,418	622,616	8,428,034
Surplus/(deficit) for the year	276,706	-	276,706
Balance at 30 June 2016	8,082,124	622,616	8,704,740

2015

	Retained Earnings	General Reserves	Total
	\$	\$	\$
Balance at 1 July 2014	7,487,264	622,616	8,109,880
Surplus/(deficit) for the year	318,154	-	318,154
Balance at 30 June 2015	7,805,418	622,616	8,428,034

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
CASH FROM OPERATING ACTIVITIES:			
Receipts from customers		1,456,296	1,322,672
Receipts from government		3,458,123	3,095,134
Interest received		265,282	256,617
Other receipts		145,211	277,029
Payments to suppliers and employees		(5,460,355)	(4,980,544)
GST received		562,333	396,143
Net cash from operating activities		<u>426,890</u>	<u>367,051</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant & equipment		(1,560,800)	(47,778)
Purchase of Investments		<u>(624,636)</u>	<u>(148,677)</u>
Net cash from investing activities		<u>(2,185,436)</u>	<u>(196,455)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Accommodation bonds received		3,517,647	860,549
Accommodation bonds refunded		<u>(938,334)</u>	<u>(660,192)</u>
Net cash from financing activities		<u>2,579,313</u>	<u>200,357</u>
Net cash increase (decreases) in cash and cash equivalents		820,767	370,953
Cash and cash equivalents at beginning of year		<u>3,724,598</u>	<u>3,353,645</u>
Cash and cash equivalents at end of financial year	11(a)	<u>4,545,365</u>	<u>3,724,598</u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report 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 historical costs, modified, where applicable, by the measurement at fair value of selected fixed assets, financial assets and financial liabilities.

(b) Comparative Figures

When required comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within borrowings under liabilities on the statement of financial position.

(d) Property, Plant and Equipment

General Information

Each class of property, plant and equipment is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of costs of dismantling and restoring the asset, where applicable.

Carrying amount

The carrying amount of plant and equipment is reviewed annually by the Board to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Fixed assets constructed

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate

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Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies continued

(d) Property, Plant and Equipment continued

Fixed assets constructed continued

asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Capital Works

All costs of a capital nature are to be capitalised if they increase the building's value. Costs of the project are to be classified as work in progress until the project has been completed. Upon completion, the asset is to be reclassified and depreciated at an appropriate rate. Any diminution of an asset is to be written off to the statement of comprehensive income.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation rates

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

Buildings	2%
Building Improvements	6.75%
Motor Vehicles	15%
Plant and Equipment	10%
Furniture and Fittings	10%
Computer Equipment	33.33%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to accumulated surpluses.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies continued

(e) Impairment of Assets

At the end of each reporting period, the Company reviews the carrying values 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 to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

(f) Critical Accounting Estimates and Judgments

Key estimates - Impairment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(g) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to surplus or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and

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Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies continued

(g) Financial Instruments continued

(d) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Company does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

If during the period the Company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies continued

(g) Financial Instruments continued

(iii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

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

(h) Trade and other payables

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

(i) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies continued

(j) Accommodation Bonds

Accommodation bonds are non interest bearing deposits made by aged care facility residents to the company upon their admission to low care and extra service accommodation. The liability for accommodation is carried at the amount that would be payable on departure or transfer of the resident. This is the amount received on entry of the resident less deductions for fees and retention's pursuant to the Aged Care Act 1997. Once a refunding event occurs the receivable becomes interest bearing. The interest rate varies according to Department of Health and Ageing rates.

Consistent with the current interpretation by the accounting profession, there is not an unconditional right to defer the settlement of these amounts, therefore the full value of accommodation bonds is recorded as a current liability of the company.

These funds are guaranteed under the Accommodation Bond (Guarantee Scheme) which came into operation on the 31 May 2006. The Guarantee Scheme enables the Commonwealth to step in and refund accommodation bond or entry contribution balances to residents if the approved provider has defaulted on its financial obligations due to bankruptcy or insolvency. After the refunds have been made, the Commonwealth becomes the creditor (unsecured) for those amounts. The Commonwealth then pursues the defaulting approved provider for recovery of funds through normal insolvency procedures. The Guarantee Scheme is established under the Aged Care (Bond Security) Act 2006 (Bonds Security Act).

(k) Entry Contributions

Entry contributions represent the amount payable to a resident on termination of the resident's occupation rights to an independent living unit in a retirement village. The liability is measured as the principal amount less accrued retention amounts.

Consistent with the current interpretation by the accounting profession, there is not an unconditional right to defer the settlement of these amounts, therefore the full value of entry contributions is recorded as a current liability of the company.

Deferred management fees are not settled in cash until such time as the resident departs, accordingly a deferred management fee receivable is recognised on the statement of financial position. In accordance with the retirement village residency agreement, the company has a legally enforceable right to set off the deferred management fee receivable with the resident entry contributions. In practice the settlement of the asset and liability occur simultaneously. Accordingly, the asset and liability are offset and the net amount presented in the statement of financial position as a (net) resident entry contributions liability. There is no credit risk because there is a legal right to set off against the resident entry contributions owing. No impairment is recognised for these amounts.

(l) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies continued

(m) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(n) Revenue and Other Income

Government subsidies are recognised as revenue on an accrual basis in accordance with the requirements and conditions of the *Aged Care Act 1997*.

Revenue for resident fees and charges are recognised in accordance with the legislation covering these amounts.

Revenue for the sale of goods is recognised on delivery of the goods to customers.

Interest revenue is recognised over the period for which the funds were invested.

Rental income is recognised in the period to which the rent relates.

Donations and bequests are recognised as revenue when received.

All revenue is stated net of the amount of goods and services tax (GST).

(o) Income Tax

No provision for income tax has been raised as the Company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies continued

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed within operating cash flows.

(q) New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted

The adopted of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company

2 Revenue and Other Income

Revenue from continuing operations

	Note	2016 \$	2015 \$
Sales revenue			
- Resident fees		1,494,238	1,325,635
- Government Funding		3,458,124	3,162,876
- Interest Revenue		265,282	256,617
- Other revenue		145,211	125,037
Total Revenue		5,362,855	4,870,165

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Notes to the Financial Statements

For the Year Ended 30 June 2016

3 Cash and Cash Equivalents

	2016	2015
	\$	\$
Cash on hand	750	750
Cash at Bank	1,044,615	1,723,846
Short-term bank deposits	3,500,000	2,000,000
	<u>4,545,365</u>	<u>3,724,596</u>

4 Trade and Other Receivables

	2016	2015
	\$	\$
Trade receivables	174,575	121,721
GST receivable	41,145	47,816
St Ann's receivable	710,780	-
	<u>926,500</u>	<u>169,537</u>

(a) Aged analysis

The ageing analysis of trade receivables is as follows:

	2016	2015
	\$	\$
0-30 days	164,393	85,509
31-60 days	10,182	5,436
61-90 days (past due not impaired)	-	17,146
61-90 days (considered impaired)	-	13,630
91+ days (past due not impaired)	-	-
91+ days (considered impaired)	-	-
	<u>174,575</u>	<u>121,721</u>

5 Other financial assets

	2016	2015
	\$	\$
Held-to-maturity financial assets	<u>4,000,000</u>	<u>3,375,364</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2016

6 Other Assets

	2016	2015
	\$	\$
CURRENT		
Prepayments	98,145	12,729
Accrued income	68,496	56,783
	<u>166,641</u>	<u>69,512</u>

7 Property, Plant and Equipment

	2016	2015
	\$	\$
LAND AND BUILDINGS		
Buildings		
Land at cost	363,462	363,462
Buildings at cost	5,255,273	5,255,273
Buildings at valuation	3,146,823	1,756,829
Accumulated depreciation	<u>(2,023,657)</u>	<u>(1,872,357)</u>
Total land and buildings	<u>6,741,901</u>	<u>5,503,207</u>
PLANT AND EQUIPMENT		
Plant and equipment	870,324	699,517
Accumulated depreciation	<u>(603,859)</u>	<u>(548,546)</u>
Total plant and equipment	<u>266,465</u>	<u>150,971</u>
Motor vehicles		
At cost	117,932	117,932
Accumulated depreciation	<u>(94,578)</u>	<u>(81,737)</u>
Total motor vehicles	<u>23,354</u>	<u>36,195</u>
Total property, plant and equipment	<u>7,031,720</u>	<u>5,690,373</u>

Toosey Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2016

7 Property, Plant and Equipment continued

Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Buildings	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Year ended 30 June 2015				
Balance at the beginning of year	5,652,072	146,871	49,451	5,848,394
Additions	-	47,778	-	47,778
Depreciation	(148,865)	(43,678)	(13,256)	(205,799)
Balance at the end of the year	5,503,207	150,971	36,195	5,690,373
	Buildings	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Year ended 30 June 2016				
Balance at the beginning of year	5,503,207	150,971	36,195	5,690,373
Additions	1,389,993	170,807	-	1,560,800
Depreciation	(151,299)	(55,313)	(12,841)	(219,453)
Balance at the end of the year	6,741,901	266,465	23,354	7,031,720

8 Trade and Other Payables

	2016	2015
	\$	\$
Sundry Creditors & Accruals	165,664	27,457
Trade payables	63,808	71,154
Government Subsidy Accrual	(11,223)	45,594
	218,249	144,205

Toosey Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2016

9 Provisions

CURRENT

Long Service Leave

252,352 -

Annual Leave

375,099 -

627,451 -

NON-CURRENT

Long Service Leave

83,329 -

83,329 -

On 1 July 2016 Toosey exited the Management Agreement with St Ann's Homes, and commenced operations as an independent autonomous organisation. From 1 July 2016 Toosey became the employer of all staff at Toosey. At 30 June 2016, Toosey had a constructive obligation in relation to the employee entitlements of those staff and thus provisions for Toosey staff employee entitlements have been recognised, with a corresponding receivable from St Ann's Homes.

10 Financial Liabilities

	2016	2015
	\$	\$
Accommodation bonds refundable	4,374,570	2,744,602
Independent Living Units deposits refundable	2,601,542	1,712,542
Provision for transition costs	60,345	-
	<u>7,036,457</u>	<u>4,457,144</u>

11 Cash Flow Information

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	2016	2015
	\$	\$
Cash and cash equivalents	3 4,545,365	3,724,596
	<u>4,545,365</u>	<u>3,724,596</u>

Toosey Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2016

11 Cash Flow Information continued

(b) Reconciliation of Cash Flow from Operations with Surplus/(Deficit)

	2016	2015
	\$	\$
Net surplus/(deficit) for the year	276,706	318,154
Cash flows excluded from surplus attributable to operating activities		
Non-cash flows in surplus		
Depreciation	219,452	205,798
Changes in assets and liabilities		
- (Increase)/decrease in trade and other receivables	46,183	49,910
- (Increase)/decrease in prepayments	85,416	4,705
- Increase/(decrease) in trade and other payables	(200,867)	(211,516)
	<u>426,890</u>	<u>367,051</u>

12 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, and loans.

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

	2016	2015
	\$	\$
Financial Assets		
Cash and cash equivalents	4,545,365	3,724,596
Financial assets	4,000,000	3,375,364
Loans and receivables	926,500	169,537
Total Financial Assets	<u>9,471,865</u>	<u>7,269,497</u>
Financial Liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	218,248	118,083
- Other	7,036,457	4,457,144
Total Financial Liabilities	<u>7,254,705</u>	<u>4,575,227</u>

Toosey Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2016

12 Financial Risk Management continued

Treasury Risk Management

The company's Board meet on a regular basis to analyse interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

Financial Risk Management Policies

The company's Board are responsible for, among other issues, monitoring, managing financial risk exposures of the company. The Board monitor the company's transaction and reviews the effectiveness of controls relating to credit risk, financial risk and interest rate risk. Discussions on monitoring and managing financial risk exposures are held monthly.

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments.

The company manages liquidity risk by monitoring forecast cash flows. A liquidity management strategy has been implemented in accordance with the Prudential Requirements included in the Aged Care Amendments (2005 Measures No. 1) Act 2006. The liquidity management strategy specifically addresses the company's ability to meet its liquidity obligations in relation to the refund of Accommodation Bonds. The company currently maintains in term deposits an amount equivalent to the full value of its Accommodation Bonds liability.

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

(b) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the company.

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Board.

(c) Price Risk

The company is not exposed to commodity price risk.

Toosey Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2016

12 Financial Risk Management continued

(d) Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows of the fair value of fixed rate financial instruments. The company is also exposed to earnings volatility on floating rate instruments.

(i) Financial instrument composition and maturity analysis

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Maturing within 1 Year Interest Bearing		Maturing within 1 Year Non-Interest Bearing		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash and cash equivalents	2.35	2.16	4,545,365	3,724,596	-	-	4,545,365	3,724,596
Receivables	-	-	-	-	926,499	169,537	926,499	169,536
Financial Assets	2.94	3.01	4,000,000	3,375,364	-	-	4,000,000	3,375,364
Total Financial Assets			8,545,365	7,099,960	926,499	169,537	9,471,864	7,269,496
Financial Liabilities:								
Trade and other payables	-	-	-	-	218,248	144,205	218,248	144,205
Accommodation bonds and ILU Deposits	-	-	-	-	7,036,457	4,457,144	7,036,457	4,457,144
Total Financial Liabilities			-	-	7,254,705	4,601,349	7,254,705	4,601,349

Toosey Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2016

12 Financial Risk Management continued

(e) Foreign exchange risk

The company is not exposed to fluctuations in foreign currencies.

13 Operating Segments

The company has identified its operating segments based on the internal reports that are reviewed and used by the Board (chief operating decision makers) in assessing performance and determining the allocation of resources.

The company is managed primarily on the basis of product category and service offerings as the diversification of the company's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

(a) Business and Geographic Segments

(i) Business Segments

The company has two business segment being Residential Aged Care and Other Operations.

(ii) Geographic Segments

The company's business segments are all located in Longford Tasmania.

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Notes to the Financial Statements
For the Year Ended 30 June 2016

13 Operating Segments continued

	Residential Aged Care		Other/Unallocated		Total	
	2016	2015	2016	2015	2016	2015
REVENUE						
Revenue	4,550,745	4,223,867	812,110	646,298	5,362,855	4,870,165
EXPENDITURE						
Expenditure	4,203,980	3,801,013	662,716	545,200	4,866,696	4,346,213
Depreciation	177,757	166,789	41,696	39,009	219,453	205,798
Net Surplus/(deficit) for the year	169,008	256,065	107,698	62,089	276,706	318,154
ASSETS						
Current Assets						
Cash and cash equivalents & financial assets	8,545,365	6,248,987	-	850,973	8,545,365	7,099,960
Trade and other receivables	855,422	169,537	71,078	-	926,500	169,537
Financial Assets	166,641	69,512	-	-	166,641	69,512
Non-current Assets						
Property, plant and equipment	4,040,367	4,196,395	2,991,353	1,493,979	7,031,720	5,690,374
Total segment assets	13,607,795	10,684,431	3,062,431	2,344,952	16,670,226	13,029,383
LIABILITIES						
Current Liabilities						
Trade and other payables	278,594	144,205	-	-	278,594	144,205
Accommodation bonds and entry contributions	4,374,570	2,818,116	2,601,542	1,639,028	6,976,112	4,457,144
Employee benefits - current	564,706	-	62,745	-	627,451	-
Non-current Liabilities						
Employee benefits - non current	74,996	-	8,333	-	83,329	-
Total segment liabilities	5,292,866	2,962,321	2,672,620	1,639,028	7,965,486	4,601,349

Toosey Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2016

14 Auditors' Remuneration

	2016	2015
	\$	\$
Remuneration of the auditor, Crowe Horwath Tasmania, of the company for:		
- audit of the financial report and associated assurance services	8,650	8,400
- preparation of the financial report	2,000	1,950
- audit of the Prudential Compliance Statement and CACP grant acquittal	1,050	1,000
	<u>11,700</u>	<u>11,350</u>

The annual statutory financial report has been prepared by the auditors as an additional service and separate engagement. Appropriate safeguards to maintain independence have been implemented.

15 Related Party Transactions

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

16 Capital and Leasing Commitments

The company did not have any contractual non-cancelable operating leases, finance lease arrangements or contracted commitments to be disclosed at year end.

17 Contingencies

In the opinion of the Board of Directors, the Company did not have any contingencies at 30 June 2016 (30 June 2015: Nil).

18 Events After the End of the Reporting Period

As at the date of this report there were no events subsequent to year end to be disclosed.

19 Economic Dependency

The ongoing viability of Toosey Limited as a going concern is dependent upon the ongoing receipt of Federal Government funding, through the Department of Health and Ageing.

20 Company Details

The registered office of the Company is:

Toosey Limited
10 Archer Street
Longford Tasmania 7301

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOOSEY LTD

Report on the Financial Report

We have audited the accompanying financial report, which comprises the statement of financial position as at 30 June 2016, 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 and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation for the financial report that gives a true and fair view and 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Toosey Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion the financial report of Toosey Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) Giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) Complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.

CROWE HORWATH TASMANIA
CROWE HORWATH TASMANIA



Malcolm Matthews
Partner

Launceston

Date: 20/10/16