



Fernlea  
House Inc.

**ANNUAL  
REPORT**  
2015-16



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# WHO WE ARE

## Our purpose

Our purpose is to improve the quality of life for people with a life-limiting-illness and their carers and families. We provide home-like community day care, visiting outreach services and psychosocial support.

## Our vision

Our vision is for a community in which the end-of-life experience is better understood, respected and supported.

## Our values

Our values are caring, compassion and respect. Our services will be holistic, inclusive and complementary to clinical palliative care.



# PRESIDENT'S REPORT

Hi, Everyone and welcome to the Fernlea Inc. AGM for 2016.

It is a privilege and honour for me to have spent the past year serving as the President of Fernlea Inc. and to be part of the re-vitalisation of the organisation, which opened its doors to the Victorian regional community 11 years ago.

The Board of 2016 has achieved so much and I feel honoured to be part of the invigorated Board, full of enthusiasm, new ideas and with the objective to do the best for Fernlea in servicing the community. I thank the Board Members for their hard work, commitment in attending meetings and their friendship. The one thing that brought us together is that we are all passionate about our Fernlea and keeping it part of the local community.

The past year has been an active one for Fernlea. I hope that you will review the reports and statistics we have offered in this annual report that shows the dedication of all those involved in providing Fernlea's special services. In addition to the more than 6,000 hours of respite care we provided, the Board was busy in 2016 with efforts to strengthen our organisation that included:

- Review of Board procedures to ensure ongoing strong governance .
- Establishment of a Board Committee's structure comprising Finance, Fundraising / Marketing and Accommodation.
- Review and update of financial software and reporting systems.
- Recruited two new board members following two resignations due to family reasons.
- Greater focus of the Board on the development of its commercial activities to support services not funded by the Federal Government grant.
- Developing of a new fundraising venture "Christmas in July".

Fernlea's respite services centre based and flexible are made possible by the commitment of our sixty - (60) Volunteers. Our Volunteers provided more than 4,000 hours of service in 2016. At a minimal \$17.70 wage that is \$70,800

worth of work contributed to serving people diagnosed with a life-limiting illness within our community, let alone the additional added value services provided by volunteers i.e. transporting our guests, researching, writing and supporting our grant applications or involved in Fernlea Extended Respite 'n' Socialisation program. To all our Volunteers the Board would like to say thank you.

We could not operate without fund raising and donor financial support that is critical to supporting unsubsidized fees for under 65 years and supporting activities not funded by the Federal Government grant. The fundraising team worked hard at organising events both social and fundraising. Some of the successful events last year were Woolworths Sausage Sizzle in Emerald, Emerald PAVE Festival, Bunning's Sausage Sizzle, Annual Cosy Comforts event and the planning for a major fundraiser for next year - Christmas in July. Fundraising is an important element of a non-profit organisation like Fernlea. I would like to thank the Fundraising / Marketing committee for all their efforts and funds raised and also to the boarder community members who supported these events. Fundraising and Donors have contributed more than \$8620 to support our organisation in 2016. That is a 108% increase from 2015. To those of you who are not involved, I ask that you consider volunteering, and/or financially contributing to our organisation.

The key achievements of the Fernlea over the 2015-2016 year have been:

- Continued funding by the Federal Government until 2018 however the funding could no longer be used to subsidize care for people under 65 years.
- Fundraising has continued to grow but needs to become a stronger focus for Fernlea to support unsubsidized fees for people under 65 years.
- The Fernlea Shop of Opportunities has been a real success story and needs to continue to grow.
- Fernlea performed well financially during 2016, with a surplus despite the fact that it

was a year in which budgets were tight and spending was marked by a high degree of caution.

- In December, after continued ill health, CEO Sharyn Turney made the difficult decision to resign, although we were successful in encouraging her to continue to play a part in Fernlea's future as a Board member.
- The three-yearly audit by the Australian Aged Care Quality Agency was successful.
- The establishment of a community partnership with the St John of God Hospital in Berwick is a significant achievement and will lead to some further collaborations and projects in the future.

Our new Chief Executive Officer Sue McIvor commenced in January 2016 following Sharyn Turney's retirement. The Fernlea Strategic plan needs to be updated but with staff changes at the top the Board has set this as a priority in the first part of 2017.

Throughout the year the Board members voluntarily give their time and knowledge to provide strong governance to ensure the Fernlea remains an active and meaningful organisation providing the "Voice" for palliative care respect services within the region.

I want to thank every member of the Fernlea Board, a great mix of incredibly talented people

who will collectively continue to navigate Fernlea through future challenges associated with a new health service paradigm.

My fellow board members are;

Vice President- Stephanie Cox, Treasurer - Roger Lord, Secretary Sam Aalbers and Ordinary Board members - Kellie Alford, Pamela Smithard, Robert Wall, Rob Farrow and to those Board members who resigned for family reasons Matt Cox Treasurer and John LoBartolo.

In addition, I want to express my deep appreciation and thanks to Sue McIvor, our Chief Executive Officer, and all the Fernlea staff and importantly volunteers for their hard work, dedication and attention to detail day in and day out that contribute to the excellent reputation that the Fernlea has established in Victoria. Their professionalism is seen in the quality of their service, communications and the way we have shown that we value our guests.

I would like to thank you all for the support you have given me in this year as President.

Barry Thomson  
President



# CEO'S REPORT

The past year has been one of significant change and challenge for Fernlea House.

We started out the year not knowing if our funding would be continued, and this uncertainty caused a great deal of stress and angst for our Board, staff, volunteers and the families we support. We were eventually told that the funding would continue, with a funding agreement until 2018. There were however, a number of changes. The funding had previously been administered by the Department of Health, but moved to the new 'Commonwealth Home Support Program' under the Department of Social Services 'My Aged Care'. The move to aged care meant the funding could no longer be used to subsidise care for people under 65, although existing younger clients were 'grandfathered' at the time of the changeover. The new funding arrangements also meant a number of changes to our systems and administration processes, so that we could comply with the new funding requirements. Our admin staff, who were both new at the time, did a lot of work in learning about the new requirements, what Fernlea needed to do and setting up the new systems.

From our experience, we know there is a real need within the community for support to people under 65 who have a life-limiting illness, chronic condition or dementia. As these people were now expected to pay unsubsidised fees, this meant that raising our own money became even more critical in order to continue this work and keep fees at a reasonable level. We had started the op shop in the previous financial year, but it also meant growing our Fernlea Life Care business, both of which were originally started as social enterprises to provide an income to support Fernlea's work. The Fernlea Shop of Opportunities has been a real success story, continuing to grow during the year. We were also able to significantly grow income from

I am pleased to report that the collective efforts reported on in this annual report, have resulted in us finishing the financial year of 2015-16 with a surplus and ahead of budget.

Fernlea Life Care, although further work needs to be done to develop a more robust business structure. Fundraising also needed to become a stronger focus for us, and there is separate report on our fundraising activities for 2015-16.

In December, after continued ill-health, CEO Sharyn Turney made the difficult decision to resign, although she has remained on the Board as a Director. I know Sharyn would like to thank everyone who helped and supported Fernlea during her many years with the organisation, and that she looks forward to hearing about Fernlea's future successes. With Sharyn's assistance, the Board undertook a recruitment drive to find a replacement CEO, and I started in the role in January 2016. After the difficult

financial situation reported at last year's AGM in December, the focus from January onwards was to improve the financial position and to consolidate and strengthen the Association for future years. This meant that more than ever, prudent and vigilant management of our financial and non-financial resources was

important and crucial to improving our end-of-year position. I am pleased to report that the collective efforts reported on in this annual report, have resulted in us finishing the financial year of 2015-16 with a surplus and ahead of budget. The last six months since I started have not been without their own challenges and difficult decisions, but my very strong belief is that the work done this year has created a platform for future growth and development.

The staff and I spent a large proportion of the last six months from January to June preparing for our three-yearly audit by the Australian Aged Care Quality Agency. This is linked to our funding and looks at a range of standards that relate to management, service delivery and users' rights. While it is outside of the reporting period for this annual report, I am really happy to tell you that at the time of writing this report,

we have passed the audit with flying colours! This means that our guests and their families, our clients and the community in general can be confident that the quality of our systems, processes and service delivery is of the highest possible standard.

We were disappointed early in 2016 when Shanagolden told us we would no longer be able to use their premises to deliver our Pakenham program. However, as sometimes happens, what was originally bad news turned out to be a real opportunity. An invitation for me to present at a palliative care symposium at St John of God Hospital in Berwick, led to us negotiating use of a room near their hospital for us to continue a service in the south-east, which will begin in October 2016. This is such a fabulous community partnership, which we are sure will lead to some further collaborations and projects in the future.

During the year we saw a number of staff changes. Tim Manning and Gwen Murphy took up permanent roles as PCAs. Activities Coordinator Erica Kurec left, as did our Bookkeeper Hilary Boreham. We welcome the new staff members and offer our sincere gratitude to those who have left their roles, for their contribution over several years, although both have maintained an involvement with Fernlea.

Our staff are a pivotal part Fernlea – our nurses and PCAs who provide professional and personal support to our guests and Fernlea Life Care clients; our cooks who provide a wide variety of nutritious food for our guests; our volunteer coordinator who recruits and supports our wonderful volunteers; our shop manager who makes sure the shop truly supports Fernlea's work; and our admin staff whose work underpins so much of what happens at Fernlea. Later in this annual report, you will be able to read reports from some of these areas that hopefully will give you an insight into the year from these different parts of our organisation.

As always, we continued to rely on our volunteers – in fact it is true to say, we couldn't do what we do without them. They enable us to provide the sort of care to our guests that makes Fernlea's model unique. It has been interesting and pleasing to go to meetings with

other service providers who also talk so highly about Fernlea and its model of care, and our volunteers are such an intrinsic part of that. A huge thank you to all our volunteers who help us in so many ways, from working directly with the guests, in the shop, as drivers and in various roles in our Emerald and Pakenham centres.

Finally, I want to thank the Board for their support over the time I have been here. They have not only offered their professional expertise in various areas, they have been a sounding-board when I have needed it. It is so easy to get caught up in the day-to-day grind and to focus on the problems, but taking time to write this annual report has forced me to pause and reflect on everything that has happened, in particular our achievements. I am sure there will be further challenges in the year ahead, but as the saying goes 'alone we can do so little, together we can do so much'.

Sue McIvor  
Chief Executive Officer

FERNLEA



# BOARD REPORTS

## Fundraising and Marketing Committee Report

Fundraising became even more important this year, as we needed to generate our own income to provide services to our younger clients.

In January, a new Fundraising and Marketing Committee was formed, made up of three Directors, the CEO, two staff and a volunteer, and we immediately set about developing a calendar of events. We also reviewed some of our processes, including developing an events form that helps us identify the expected outcomes of our events and to evaluate them.

We are really pleased that Jan Lancaster, who founded Fernlea House, remains involved with this committee and is instrumental in finding grants for us to apply for.

We also received a number of bequests from former guests who had passed away, as well as donations in their name.

The Fernlea Shop of Opportunities was pivotal, not only in successfully promoting our raffles and events to customers, but also in actively promoting Fernlea's work to the wider public.

Some of the fundraising activities we were involved in throughout the year included:

- Woolworths Sausage Sizzle in Emerald
- Emerald PAVE Festival - we opened our Op Shop on the day and had a stall out in the marketplace. It promoted our brand locally and we sold more than \$700 in raffle tickets on the day
- Bunnings Sausage Sizzle in Pakenham - this was the first time we have been involved with a Bunnings sausage sizzle, and while it was a lot of work, we found it was a great opportunity to advertise our organisation and to gain much needed funds
- Annual Cosy Comforts event at Emerald Hall on the Mothers' Day weekend - this was a display of local art and craft, as well as offering a delicious Devonshire tea
- We started planning for a major fundraiser for next year - Christmas in July.

Overall, we are very proud of the successes the Fundraising and Marketing Committee was able

to achieve. As well as raising funds, our focus was also on improving the image and branding of Fernlea House to ensure more people know about us. Next year, we hope to build on this, with plans to review our overall branding and marketing.

Stephanie Cox

on behalf of the Fundraising and Marketing Committee

## Accommodation Committee Report

After the AGM last year, a new Accommodation Committee was formed, headed by John LoBartolo and with Directors Rob Wall and Pamela Smithard, as well as CEO Sue McIvor. As we have been aware for some time that we are fast outgrowing our current accommodation we began our tenure looking at what our options were in regard to extending the current Fernlea House. Yarra Ranges Council was approached with a view to investigating what, if any, further extensions could be made to the existing building, as there was not a lot of existing historical paperwork.

The committee met in February 2016 to discuss the outcome of approaches to council. Matters discussed were what town planning permits we would require, gaining access to any drawings held for the current building and its previous extensions, and renovations done over the preceding years. The building was thought to be a class 1b building with the uses in accordance. However further enquiries in March revealed that it is a Class 3 building due to existing "change of use" paperwork done previously. In light of this, the limitations of the dwelling, potential parking issues and ensuing disruption to neighbouring properties it was decided that major renovations would not be a real option or cost-effective.

John LoBartolo resigned in May 2016 due to family reasons, and his resignation was reluctantly accepted by the Board at its June meeting. The committee will continue looking at other options, including a minor internal refurbishment and reviewing how we can better use the existing space.

We continue to work with and keep informed Jan and Murray Lancaster, who own the house at 149 Emerald-Monbulk Road, for which we pay a peppercorn rent each year, and they continue to support our efforts to look at how the space can be best used to deliver our services.

In addition to the centre at Emerald, we also continued to deliver our service in the south-east, renting space at Shanagolden Aged Care, in Webster Way, Pakenham. They advised us early in 2016 that they were setting up another service so would need their space back. We were fortunate to be able to secure a room adjacent to St John of God hospital in Berwick, where we will be moving to later in 2016.

Pamela Smithard  
on behalf of the Accommodation Committee

## Board Members for 2015-16

	July - December 2015	January - June 2016
President	Robert Farrow	Barry Thomson
Vice-President	Barry Thomson	Stephanie Cox
Treasurer	Joe Verill	Matt Cox
Secretary	Jim McPhee	Samantha Aalbers
Ordinary Members	Sharyn Turney Pamela Smithard Stephanie Cox	Sharyn Turney Pamela Smithard Kellie Alford Rob Wall John DeBartolo (resigned 26th May 2016)



# OPERATIONS REPORTS

## Programs

### Emerald

Fernlea House at Emerald is about our guests having a special day out and their carers having time for themselves. We have a range of different guests from 44 to 90 years old, who build up friendships with each other.

With the valuable help of volunteers, we are able to provide almost one-to-one care. A range of activities is provided in the morning and our guests can choose what they feel like doing. We have a theme each week to enhance conversation, dress up is optional or they bring some show and tell. The afternoon settles more with quiet music, foot baths, hand and foot massages, Reiki and of course more conversation.

At Fernlea, we strive to empower the person rather than focus on their illness. The guests and we believe that the social interaction they have with others while at Fernlea, helps to lessen their isolation and improve their quality of life, even extending their lives in some cases.

Of course we do have sad days when someone dies. Many of our staff and volunteers become very attached to the guests, especially those we have looked after in some cases, for many years. We attend their funerals to find closure and to support their families, who we also become very close to. We also have lots of happy days, celebrating milestones like our guests' birthdays. Our chef Michael provides a home-baked birthday cake and everyone signs a birthday card. Many of our guests are artistically very talented, and their artwork is always included in our fundraising art shows. Carers, volunteers, and staff are also encouraged to enter.

For the staff and volunteers, the work we do is much more than a job – we consider it a privilege to be able to care for our guests with a life limiting illness.

Marian Robertson  
Enrolled Nurse

### Pakenham

Fernlea's venue in the south-east is located in the Respite Room at Shanagolden Age Care facility in Pakenham, and has been operating every Friday since October 2013. This location has been another success story for Fernlea, with our numbers now having grown to capacity, averaging 11 guests each week. Referral sources during the year included Alfred Health, M.E.A.C.A.S, Southern Cross Care and Uniting Age Well.

Staff included a Registered Nurse, two PCAs and a cook. We were also supported by volunteers including personal carers, drivers and Reiki volunteers. The following is a snapshot of what a day at Fernlea in the south-east looks like.

**9am:** The nurse arrives to commence room setup and follow up with staff at Fernlea house, or guests and carers. The cook arrives soon after to commence food preparation and the 2nd PCA arrives at 10am. The PCA assists in room preparation and sometimes guest transport.

**10-10.30am:** Guests arrive. As they arrive they are welcomed and settled into their chairs. Refreshments are offered and over a home-cooked morning tea they are able to socialise with other guests, staff and volunteers. This is often a very valuable time for guests to follow up with other guests on how their week has been and provides an opportunity for them to establish friendship and supportive networks amongst themselves. A morning quiz also takes place which often leads to fun and laughter with many new points of interest offered. Following morning tea there is always a planned activity offered by our PCA/activity co-ordinator. With our focus always on the guests needs we are guided by their decision to participate in activities or not, it is entirely their decision. Our Reiki therapists offer Reiki to the guests, which a majority participate in.

**12.30pm:** a two course lunch is served. When required guests are assisted with meal cut up or feeding. After lunch guests are offered hand

and foot massages, to participate in puzzles or board games, relax in the recliner chairs or engage in watching a movie.

Our guests experience a diverse range of life limiting illnesses: Dementia, Alzheimer's disease, multiple sclerosis and other neuro-degenerative disease, pulmonary disease, cardio vascular disease, developmental delay and palliative cancer disease.

There is continual communication during the day with Fernlea House for any needs that may arise. There is also ongoing communication with guests and their carers, medical personnel, allied health and referral agencies, with all details being documented in the guests' files in their progress notes.

**3pm:** The volunteer bus driver arrives with the bus. Volunteer drivers and carers also start to arrive to escort the guest's home. When the guests leave one PCA and the nurse remain to continue the pack-up of the room, returning items to locked cupboards, cleaning chairs, tables and floors. The nurse completes the progress notes, liaises with carers or allied health staff on the phone if needed and updates files. The respite room is vacated between 4.30-5pm.

Marisa Carn  
Registered Nurse

## Volunteers

Throughout the year we maintained around 60 active volunteers, contributing in excess of 4,000 hours of formal volunteering for Fernlea House, in a variety of different areas.

All of the Directors are volunteers, and this year we welcomed eight new volunteers as Board members bringing expertise in areas like clinical care, commercial business, human resources and fundraising – all essential skills for a successful organisation.

Many of our volunteers worked directly with the guests, often providing one-on-one care. Volunteers welcome guests to our centre each day, helping to settle them in. Once guests are settled, volunteers serve the morning tea and assisting those who like to participate in the activities that have been planned. At lunch time volunteers help guests to the dining room serve

the meals and provide assistance as needed while engaging in conversation. The afternoon volunteers offer pampering with hand and foot massage as well as socialisation.

We had a number of professional complementary therapists who volunteered their time to offer Reiki to our guests, who look forward to it and find it very beneficial.

Our transport volunteers continued to pick up and drop off guests, ensuring they arrived safe and happy at Fernlea each day. Fernlea has a bus and a car, but when necessary, volunteers may also use their own vehicles.

Also, our shop relied hugely on volunteers throughout the year and we were lucky to find a number of new volunteers who contributed to the success of the shop.

Our Founder Jan Lancaster continued to stay involved with Fernlea as part of the fundraising team, volunteering her time researching, writing and supporting our grant applications.

FERNS (Fernlea Extended Respite 'n' Socialisation) is a specific program where volunteers visit people in their own homes as they may be housebound, socially isolated or not well enough to attend our centres. During the year 15 FERNS volunteers spent 475 hours making 138 visits to FERNS clients.

We were also fortunate to have a number of external individuals and groups who volunteered their time to support Fernlea's work. This year, these included Brynn Cann Gardening who maintained our gardens: Emerald Gardening Club who spruced up the garden twice a year; visiting musicians who entertained our guests by playing music and getting the guests involved in singing; knitters from the Monbulk CWA who volunteered their time to assist people with dementia on a one-to-one basis; the Basin Community House who provided beautifully knitted and crocheted items as gifts for Mother Day, Father's Day and Christmas; the Emerald Men's shed who accommodated our requests for a range of wooden items for our guests to paint, decorate and take home.

To all of our volunteers, we want to say a huge thank you for your ongoing commitment to Fernlea.

Leonie Scott  
Volunteer Coordinator

## **Business Activities**

### **Op Shop**

The Fernlea Shop of Opportunities had significant growth in three key areas over the last 12 months.

#### Awareness

The Fernlea shop brought a great amount of awareness to the community about Fernlea's work and vision. Through educating the community we have gained new guests and volunteers. Through the Op shop we have been able to promote and grow things like guest numbers, Fernlea Life Care, volunteer numbers and our raffles and fundraising events. One of the fun awareness-raising activities this year was 'Violet' our large toy bunny that has been moved around the community creating excitement and awareness of Fernlea. Violet has been to many local businesses and has been a hit on our Facebook page. She current resides at Emerald College.

Once again this year the Pave festival was a huge success, with us selling more than \$700 in raffle tickets alone!

In early July a large fundraiser was organised in the community through the shop and our Fernlea Facebook Page. This fund-raiser brought a lot of publicity to Fernlea and educated the community that our Op Shop is a safe place to discuss death and dying. We hosted our first Death Cafe in the op shop in July leading up to National Dying to Know Day.

#### Donations

These increased in both volume and quality, leading to increased sales. We reviewed our processes so were able to save money as we did not need a skip.

We trialled a second store across the road to display and sell our larger items and for extra storage. This had its pros and cons; we were able to accept larger items however at times we lacked enough volunteers to supervise both shops. This should change as we continue gaining new volunteers.

After successfully settling into the op shop we decided to acquire some more permanent shop fittings. We purchased an entire local store's fit out and it worked perfectly in our store. It

has given us a much cleaner, organised and professional look.

#### Volunteers

Over the year we have trained 30 volunteers including identifying a role for 'lead volunteers', who are more experienced and can take on a greater level of responsibility. This gave us more flexibility and freed me up to work on admin tasks like marketing and planning.

The shop has been a hugely successful venture for Fernlea, which we hope to expand on in the coming year.

Catherine Kenney  
Shop Manager

### **Fernlea Life Care**

FLC is the second of our commercial activities that provides income to support the work of Fernlea House. It extends the reach of our community care and support to people's homes, allowing them to stay living independently in their own homes for longer. This year, I am pleased to report that we were able to grow the business, including taking on several additional staff, and to increase income from this social enterprise. Next year we are planning to review the business structure and our processes, with a view to further building the business.

Sue Mclvor  
Chief Executive Officer

# FINANCIAL REPORTS

## Treasurer's Report

I have only just been appointed Treasurer so I am unable to take credit for what has happened during the year but it is my pleasure to present this report to let you know what, money-wise, this year has brought.

The good news is that we made a surplus of \$13,172 which following last year's deficit of over \$70,000 was a wonderful turnaround. The difference is the full year of operations of Fernlea Life Care (FLC), a commercial version of our service, which was only started towards the end of last financial year but has grown to produce a surplus of \$ 9,999 this year and a full year for the Op Shop (\$18,045 up from \$10,243.

Last year also included several payments for Specialist Programs, the Grant for which had been included in the 2014 year (\$33,291).

Couple these big amounts with some cost savings and increased recoveries and we have the change around movements.

We started the year with \$60,848 in the bank and at the end of June had \$81,482 because of the surplus and being better at collecting money due to us.

We like to think of the main business of Fernlea as being helped by two fundraising arms- FLC and the opportunity shop - so it is important to separate these two parts of the operation.

FLC contributed \$9,999 as I said and the Opportunity Shop \$18,045. So you can see that without them and the hardworking people that run them we would not be able to offer all the service that we do. We also raise money from fundraising and receive donations towards our work.

Apart from this our main income comes from the grant that we receive from the Commonwealth Home Support Program (used to be from National Respite Carer's Program but this changed during the year). This grant was \$457,785 this year (\$459,298 last year) and is by far the biggest source of revenue that we have.

The largest expense is wages and this would be so much higher if it were not for all the volunteer help -So thanks to all of you.

The other big change in finance is the successful switch from one accounting package to another This may not sound exciting but it is a lot of work and needs a steady hand to see it through. So thank you Kelly for this smooth transition. The move to the more modern and comprehensive package (Xero) will be worth all the work.

May I finish by saying that it has been a pleasure meeting the members of the committee and staff of Fernlea and I am looking forward to working with them in the future.

Roger Lord  
Board Treasurer

**FERNLEA HOUSE INC.**

**ABN: 73 846 428 558**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH JUNE 2016**

**CHARLES WALLACE & ASSOCIATES  
CHARTERED ACCOUNTANTS**

Liability limited by a scheme approved under Professional Standards Legislation

# **FERNLEA HOUSE INC.**

## SPECIAL PURPOSE INDEPENDENT AUDIT REPORT

To the members of Fernlea House Inc:

### **Scope**

We have audited the accompanying financial report, being a special purpose financial report, of Fernlea House Inc, comprising the statement of financial position as at 30th June 2016, the statement of comprehensive income, statement of changes in equity and statement cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and statement by the committee of management.

### Committee's Responsibility for the Financial Report

The committee is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the Associations Incorporation Reform Act 2012 and are appropriate to meet the needs of the members. The committee's responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

# **FERNLEA HOUSE INC.**

## SPECIAL PURPOSE INDEPENDENT AUDIT REPORT

The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting under the Associations Incorporation Reform Act 2012. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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 Associations Incorporation Reform Act 2012.

### **Qualification**

As an audit procedure it is not practical to extend our examination to all sources of income, with the exception of bank interest and grants from Department of Social Services/Health, beyond accounting for amounts received as shown by the books of the association.

### **Qualified Auditor's Opinion**

In our opinion, subject to the matter referred to in the qualification paragraph, the financial report of Fernlea House Inc for the year ended 30th June 2016 is in accordance with the Associations Incorporation Reform Act 2012, including:

- (a) giving a true and fair view of the association's financial position as at 30th June 2016 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Associations Incorporation Reform Regulations 2012.

### **Emphasis of Matter**

Attention is drawn to Note 1 'Going Concern' of the financial report, which describes uncertainty related to the association's ability to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the association not continue as a going concern. Our opinion is not qualified in respect of this matter.

Charles Michael Wallace  
Charles Wallace & Associates  
Suite 1 47 Walker Street  
Dandenong

Dated

# FERNLEA HOUSE INC.

## STATEMENT BY THE COMMITTEE OF MANAGEMENT

The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The committee of the association declares that:

1. The financial statements and notes, as set out on pages 4 to 11 in accordance with the Associations Incorporation Reform Act 2012 and:
  - (a) comply with Accounting Standards as described in Note 1 to the financial statements and the Associations Incorporation Reform Regulations 2012; and
  - (b) give a true and fair view of the association's financial position as at 30th June 2016 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the committee's opinion there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.
3. Funds received from the Department of Social Services/Health under the National Respite for Carers Program and Commonwealth Home Support Programme were expended in accordance with their agreements.

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

.....  
President

.....  
Treasurer

Dandenong

## FERNLEA HOUSE INC.

### STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30TH JUNE 2016

	NOTE	2016 \$	2015 \$
<b>Continuing Operations</b>			
Sales Revenue		615,775	510,470
Cost of Sales		(529,327)	(516,202)
		-----	-----
		86,448	(5,732)
		-----	-----
Other Revenue		16,156	28,852
Occupancy Expenses		(60,327)	(54,822)
Administration Expenses		(29,105)	(46,809)
		-----	-----
<b>Comprehensive income attributable to members of the entity</b>		\$ 13,172 =====	\$ (78,511) =====

The accompanying notes form part of these financial statements.

# FERNLEA HOUSE INC.

## STATEMENT OF FINANCIAL POSITION

AS AT 30TH JUNE 2016

	NOTE	2016 \$	2015 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	3	81,482	60,848
Trade and Other Receivables	4	28,070	44,068
		-----	-----
		109,552	104,916
		-----	-----
<b>Non-Current Assets</b>			
Property, Plant & Equipment	5	39,539	35,294
		-----	-----
		39,539	35,294
		-----	-----
<b>TOTAL ASSETS</b>		149,091	140,210
		-----	-----
<b>Current Liabilities</b>			
Trade and Other Payables	6	80,646	76,544
Provisions	7	48,489	56,882
		-----	-----
		129,135	133,426
		-----	-----
<b>TOTAL LIABILITIES</b>		129,135	133,426
		-----	-----
<b>NET ASSETS</b>		\$ 19,956	\$ 6,784
		=====	=====
<b>EQUITY</b>			
Retained Surpluses		19,956	6,784
		-----	-----
<b>TOTAL EQUITY</b>		\$ 19,956	\$ 6,784
		=====	=====

The accompanying notes form part of these financial statements.

# FERNLEA HOUSE INC.

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2016

	<b>Retained Surpluses \$</b>	<b>Total Equity \$</b>
Opening Balance at 1st July 2014	85,295	85,295
Total comprehensive income	(78,511)	(78,511)
Closing Balance at 30th June 2015	----- 6,784 -----	----- 6,784 -----
Total comprehensive income	13,172	13,172
Closing Balance at 30th June 2016	\$ 19,956 =====	\$ 19,956 =====

The accompanying notes form part of these financial statements.

# FERNLEA HOUSE INC.

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30TH JUNE 2016

	NOTE	2016 \$	2015 \$
<b>Cash Flows From Operating Activities</b>			
Grants, Interest & Other Receipts		647,929	501,588
		-----	-----
		647,929	501,588
Payment to employees and suppliers		(615,385)	(586,722)
		-----	-----
<b>Net Cash Generated In Operating Activities</b>	9	32,544	(85,134)
		-----	-----
 <b>Cash Flows From Investing Activities</b>			
Acquisition of Property, Plant & Equipment		(11,910)	(5,041)
		-----	-----
		(11,910)	(5,041)
Net (increase)decrease in cash held		20,634	(90,175)
Cash at beginning of financial year		60,848	151,023
		-----	-----
<b>Cash At End of Financial Year</b>	3	\$ 81,482	\$ 60,848
		=====	=====

The accompanying notes form part of these financial statements.

# FERNLEA HOUSE INC.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2016

### **NOTE 1 - Statement of Significant Accounting Policies**

These financial statements are a special purpose financial report prepared for use by the association. The statements have been prepared in accordance with applicable Accounting Standards and other professional reporting requirements and comply with other requirements of the law. The accounts have also been prepared on the basis of historical costs and do not take into account changing money values, or except where stated current valuations of non-current assets.

#### **Basis of Preparation**

This report has been prepared in accordance with the requirements of the Associations Incorporation Reform Act 2012, and the following applicable Australian Accounting Standards and Australian Accounting Interpretations:

AASB 101: Presentation of Financial Statements;

AASB 107: Cash Flow Statements;

AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors;

AASB 110: Events after the Balance Sheet Date;

AASB 117: Leases;

AASB 1031: Materiality; and

AASB 1048: Interpretation and Application of Standards.

No other Accounting Standards, Accounting Interpretations or other authoritative pronouncement of the Australian Accounting Standards Board have been applied.

#### **Reporting Basis and Conventions**

This financial report has been prepared on an accrual basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial liabilities for which the fair basis of accounting has been applied.

The following is a summary of the accounting policies adopted by the association in preparation of the financial report.

#### **Going Concern**

As at balance date there is small amount of net assets and current liabilities exceed current assets so there is uncertainty that the association can continue as a going concern. However the financial report has been prepared on the going concern basis as the committee of management of the association has confirmed that it intends to make best efforts to raise sufficient funds to enable it to meet its liabilities for a minimum of 12 months from the date of issuing these financial statements.

#### **1. Improvements, Equipment & Furniture**

Improvements, Equipment & Furniture are stated at cost less accumulated depreciation. Depreciation is charged so that the cost of fixed assets is written off over their estimated useful lives.

# **FERNLEA HOUSE INC.**

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30TH JUNE 2016

Improvements, Equipment & Furniture are carried at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition.

Equipment & Furniture are depreciated on a reducing balance basis over their useful economic lives which ranges from one to eight years. Improvements are depreciated on a prime cost basis over two to three years.

#### **2. Recoverable Amount of Non-Current Assets**

Non-current assets are written down to recoverable amount where the carrying value of any non-current asset exceeds recoverable amount. In determining the recoverable amount of non-current assets, the expected net cash flows, have been discounted to their present value.

#### **3. Receivables**

Receivables are recorded at amounts due less any provision for doubtful debts.

#### **4. Accounts Payable**

Accounts payable are recognised when the association becomes obliged to make future payments resulting from the purchase of goods and services.

#### **5. Provisions**

Provisions are recognised when the association 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.

#### **6. Income Tax**

The association is exempt from income tax.

#### **7. Revenue**

The following rules govern the principle of income recognition. Revenue is recognised net of the amount of goods and services tax (GST).

#### **8. Goods & Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST receivable from, or payable to, the taxation authority is included as part of receivables or payables.

## FERNLEA HOUSE INC.

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2016

	2016	2015
	\$	\$
<b>NOTE 2 - Operating Income</b>		
Operating Surplus/(Deficit)		
is after crediting the following revenues:		
Operating Revenue	631,541	539,059
Interest from other entities	390	263
Charging the following expenses:		
Depreciation - Property, Plant & Equipment	7,665	9,270
<b>NOTE 3 - Cash and Cash Equivalents</b>		
Cash at Bank	31,482	60,848
Cash in Bank Owned Mortgage Fund	50,000	-
	-----	-----
	\$ 81,482	\$ 60,848
	=====	=====
<b>NOTE 4 - Trade and Other Receivables</b>		
Sundry Debtors	\$ 28,070	\$ 44,068
	=====	=====
<b>NOTE 5 - Property, Plant &amp; Equipment</b>		
<u>Gross Carrying Amount</u>		
Opening Balance	304,382	299,341
Movement	11,910	5,041
	-----	-----
Closing Balance	316,292	304,382
	-----	-----
<u>Accumulated Depreciation</u>		
Opening Balance	269,088	259,818
Movement	7,665	9,270
	-----	-----
Closing balance	276,753	269,088
	-----	-----
<u>Net Book Value</u>		
Opening Balance	35,294	39,523
Movement	4,245	(4,229)
	-----	-----
Closing Balance	\$ 39,539	\$ 35,294
	=====	=====
<b>NOTE 6 - Trade and Other Payables</b>		
Sundry Creditors	80,646	76,544
	=====	=====

# FERNLEA HOUSE INC.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2016

	2016	2015
	\$	\$
<b>NOTE 7 - Provisions</b>		
Employee Entitlements	48,489	56,882
	=====	=====
<b>NOTE 8 - Remuneration of Auditors</b>		
The following remuneration was received by the auditor of the company in respect of:		
Auditing of accounts	3,300	3,200
Other services	1,170	1,170
	-----	-----
	4,470	4,370
	=====	=====
<b>NOTE 9 - Notes to the Cash Flow Statement</b>		
Reconciliation of net cash provided by operating activities to operating surplus (deficit)		
Operating surplus (deficit)	13,172	(78,511)
Depreciation	7,665	9,270
(Increase) Decrease in receivables	15,998	(37,734)
Increase (Decrease) in creditors	4,102	28,826
Increase (Decrease) in provisions	(8,393)	(6,985)
	-----	-----
<b>Net Cash Flow from Operating Activities</b>	\$ 32,544	\$ (85,134)
	=====	=====

## **FERNLEA HOUSE INC.**

### AUDITOR'S INDEPENDENCE DECLARATION

I declare that, to the best of my knowledge and belief, during the year ended 30th June 2016 there have been:

- i. no contraventions of the auditor's independence requirements as set out in the Associations Incorporation Reform Act 2012 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Charles Wallace  
Charles Wallace & Associates

## FERNLEA HOUSE INC.

### STATEMENT OF INCOME AND EXPENDITURE

FOR THE YEAR ENDED 30TH JUNE 2016

	2016	2015
	\$	\$
<b>INCOME</b>		
Fundraising	8,620	4,138
Gifts, Grants & Sales	615,775	510,470
Interest	390	263
Membership	695	1,410
Other Revenue	6,451	23,041
	-----	-----
	631,931	539,322
	-----	-----
 <b>EXPENDITURE</b>		
Accounting/Bank Charges/Legal	6,781	6,239
Client Costs	13,697	14,833
Depreciation	7,665	9,270
Fundraising & Advertising	1,951	5,525
Insurance/Subscriptions	9,928	10,773
Maintenance, Gardening, Permits etc	6,942	14,061
Motor Vehicle Expenses	5,722	13,849
Movement - Employee Entitlement Provision	(8,395)	(6,986)
Premises Expenses	25,333	17,337
Printing, Stationery & Postage	4,394	4,759
Project, Contract & Consulting Fees	6,237	1,500
Purchases - Op Shop	2,837	1,937
Salaries	446,585	414,271
Specialist Programs	-	33,091
Staff Training, Recruitment & Assistance	3,747	7,171
Sundries	2,592	2,599
Superannuation	47,703	41,439
Utilities	18,124	12,651
Volunteers	4,595	4,568
Workers Compensation	12,321	8,946
	-----	-----
	618,759	617,833
	-----	-----
Net Profit(Loss)	\$ 13,172	\$ (78,511)
	=====	=====

# FERNLEA HOUSE INC.

## SPECIAL PURPOSE INDEPENDENT AUDIT REPORT

The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting under the Associations Incorporation Reform Act 2012. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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 Associations Incorporation Reform Act 2012.

### **Qualification**

As an audit procedure it is not practical to extend our examination to all sources of income, with the exception of bank interest and grants from Department of Social Services/Health, beyond accounting for amounts received as shown by the books of the association.

### **Qualified Auditor's Opinion**

In our opinion, subject to the matter referred to in the qualification paragraph, the financial report of Fernlea House Inc for the year ended 30th June 2016 is in accordance with the Associations Incorporation Reform Act 2012, including:

- (a) giving a true and fair view of the association's financial position as at 30th June 2016 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Associations Incorporation Reform Regulations 2012.

### **Emphasis of Matter**

Attention is drawn to Note 1 'Going Concern' of the financial report, which describes uncertainty related to the association's ability to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the association not continue as a going concern. Our opinion is not qualified in respect of this matter.

*C M Wallace*

Charles Michael Wallace  
Charles Wallace & Associates  
Suite 1 47 Walker Street  
Dandenong

Dated 28/10/16



FERNLEA  
LIFE CARE  
Hilary  
STAFF

HELEN

# SUPPORTERS AND PARTNERS

A huge thank you to all the individuals, organisations and companies that supported us in 2015-16... We couldn't have done it without you!

## Supporters

### Op Shop Support

- Irwin, coffee expert and donor of coffee machine
- Paula of The Purple Thistle for her yummy baking.

### Gardening

- Bryn Cann Gardens
- Emerald Gardening Club

### Website Management

- Phil Morton from 'A Break in the Clouds'

### Property and maintenance

- Jan and Murray Lancaster
- Bruce from Prowire Electrics
- Luke from Total Floor Cleaning Solutions
- Damian and Aleisha from Assender builders
- Deno from Carrum Downs Plumbing

### Community support

- Country Woman's Association (CWA) - 'Knitting Ladies' and knitted goods for guests
- The Hills Loving Stiches, Basin Community House - Mothers, Fathers & Christmas Day packs, knitted & crochet items for guests
- Emerald Men's Shed - wooden items for painting

### Hall Hire

- Emerald Community House Hall
- Clematis Hall
- Monbulk Hub, Yarra Ranges Council, Living & Learning Centre Monbulk

### Professional support

- Dandenong Ranges Physio, Olinda
- Monbulk Business Network

### Raffle and event support

- Emerald Fruit Barn
- Tinkers Corner in Emerald
- Café Marté in Emerald
- Emerald Co-Op Mitre 10
- Emerald Village Pharmacy
- Northby's Bakery in Monbulk
- Monbulk Pharmacy

## Funding

- Department of Health / Department of Social Services

## Grants

- William Angliss \$2000
- Stockland \$1000

# WOULD YOU LIKE TO SUPPORT FERNLEA HOUSE?

## THERE ARE A NUMBER OF WAYS YOU CAN DO THIS...

### **Become a volunteer**

Fernlea House could not exist without our volunteers, and there are so many ways you can be involved, including working directly with our guests, as a driver, in the op shop and many more roles. We provide training and ongoing development opportunities. You will become part of a supportive community, and you can be sure your contribution is always appreciated. Contact our Volunteer Coordinator Leonie on 03-5968 3895 or visit our website at [www.fernlea.com.au](http://www.fernlea.com.au)

### **Become a member**

Becoming a member and paying an annual membership fee of \$20 is another great way of supporting Fernlea's work. As a member, you receive advanced notice of events, are entitled to vote at the AGM and can join the Board. To become a member today, go to our website [www.fernlea.com.au](http://www.fernlea.com.au) and fill in a Membership Nomination Form or contact Nicole on 03-5968 3895 or [admin@fernlea.com.au](mailto:admin@fernlea.com.au)

### **Become a donor**

Our donors are an increasingly important part of our support base, as donations allow us to provide more than just a basic service. To donate, go to our website [www.fernlea.com.au](http://www.fernlea.com.au) or contact Nicole at [admin@fernlea.com.au](mailto:admin@fernlea.com.au) or 03-5968 3895. All donations over \$2 are tax deductible.



