



ANNUAL FINANCIAL REPORT

2021-2022

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FinnCare Inc
A.B.N. 26 587 653 803
Committee's Report
For The Year Ended 30 June 2022

Your committee members submit the financial report of FinnCare Inc (formerly Australian Finnish Rest Home Association Incorporated) for the financial year ended 30 June 2022.

Committee Members

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

Amy Piekkala-Fletcher	President
Tuula Kuusela	Vice-President, Suomi Conference Nominee
Milka Underhill	Treasurer (<i>Appointed 21 December 2021</i>)
Arja Moilanen	Treasurer (<i>Resigned 21 December 2021</i>)
Katja Nexo	Secretary

Other Members

Tero Blinnikka	Public Officer
Katriina Denisenko	AFFSC Nominee (<i>Appointed 21 December 2021</i>)
Milka Underhill	AFFSC Nominee (<i>Resigned AFFSC Nominee position 21 December 2021</i>)
Tommy Ruonala	
Ritva Eronen	Australian Hyva Sanoma Nominee (<i>Appointed 1 February 2022</i>)
Jaana Pitkanen	Australian Hyva Sanoma Nominee (<i>Resigned 1 February 2022</i>)
Andrew Crossman	(<i>Elected 1 February 2022</i>)

Principal Activities

The principal activities of the Association during the financial year were:

- to provide facilities to members of the Association;
- to provide services in the aged care sector including residential aged care, community aged care, day respite and retirement living.

Significant Changes

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

Operating Result

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

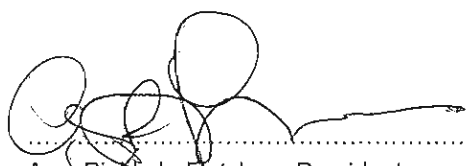
Year ended	Year ended
30 June 2022	30 June 2021
\$	\$
(1,128,147)	(40,305)

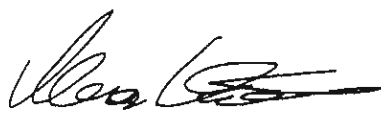
Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2022 has been received and can be found on page 29 of the financial report.

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

Signed in accordance with a resolution of the Members of the Committee on 20 September 2022:


.....
Amy Piekkala-Fletcher - President


.....
Milka Underhill - Treasurer

FinnCare Inc
A.B.N. 26 587 653 803
Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue and Other Income	2	7,981,195	7,336,943
Expenses			
Cleaning		(74,313)	(59,875)
Consultants Fees & Professional Services		(348,915)	(241,148)
Depreciation and amortisation expense		(617,575)	(446,320)
Employee benefits expenses		(6,495,836)	(5,319,001)
Impairment Cost		(120,438)	-
Insurance		(47,032)	(47,289)
Kitchen & Café Expenses		(304,936)	(218,536)
Medical Expenditure		(146,839)	(255,044)
Motor Vehicle & Travel Expenses		(16,432)	(17,789)
Repairs and Maintenance		(234,240)	(128,767)
Seminars, Conferences & Staff Training		(44,045)	(28,651)
Telephones		(22,541)	(24,559)
Utilities (Rates, Gas & Electricity)		(203,917)	(172,236)
Other expenses from ordinary activities		(432,283)	(418,033)
Current Year Surplus / (Loss) before income tax		(1,128,147)	(40,305)
Income tax expense	1(b)	-	-
Net Current year Surplus / (Loss)		<u>(1,128,147)</u>	<u>(40,305)</u>
Total Comprehensive Income / (Loss) attributable to members of the entity		<u>(1,128,147)</u>	<u>(40,305)</u>

The accompanying notes form part of these financial statements.

FinnCare Inc
A.B.N. 26 587 653 803
Statement of Financial Position
As At 30 June 2022

	Note	2022 \$	2021 \$
Current Assets			
Cash and cash equivalents	5	6,573,795	7,616,739
Trade and other receivables	6	168,646	160,810
Inventories	7	5,913	8,769
Other current assets	8	85,068	83,334
Total Current Assets		<u>6,833,422</u>	<u>7,869,652</u>
Non-Current Assets			
Property, plant and equipment	9	17,132,307	17,437,812
Total Non-Current Assets		<u>17,132,307</u>	<u>17,437,812</u>
Total Assets		<u>23,965,729</u>	<u>25,307,464</u>
Current Liabilities			
Trade and other Payables	10	634,544	839,546
Provisions	11	343,605	397,875
Other current liabilities	12	13,846,664	13,804,618
Total Current Liabilities		<u>14,824,813</u>	<u>15,042,039</u>
Non-Current Liabilities			
Provisions	11	112,086	108,448
Total Non-Current Liabilities		<u>112,086</u>	<u>108,448</u>
Total Liabilities		<u>14,936,899</u>	<u>15,150,487</u>
Net Assets		<u>9,028,830</u>	<u>10,156,977</u>
Equity			
Retained earnings/(Accumulated losses)		(1,786,116)	(657,969)
Reserves	13	10,814,946	10,814,946
Total Equity		<u>9,028,830</u>	<u>10,156,977</u>

The accompanying notes form part of these financial statements.

FinnCare Inc
A.B.N. 26 587 653 803
Statement of Changes in Equity
For the year ended 30 June 2022

Note	Retained Earnings/ (Accumulated losses) \$	Reserves \$	Total \$
Balance at 30 June 2020	(617,664)	10,814,946	10,197,282
<i>Total Comprehensive Income</i>			
Asset Revaluation Movements	-	-	-
Net surplus/(loss) attributable to the Association	(40,305)	-	(40,305)
Balance at 30 June 2021	<u>(657,969)</u>	<u>10,814,946</u>	<u>10,156,977</u>
Balance at 30 June 2021	(657,969)	10,814,946	10,156,977
<i>Total Comprehensive Income</i>			
Asset Revaluation Movements	-	-	-
Net surplus/(loss) attributable to the Association	(1,128,147)	-	(1,128,147)
Balance at 30 June 2022	<u>(1,786,116)</u>	<u>10,814,946</u>	<u>9,028,830</u>

The accompanying notes form part of these financial statements.

FinnCare Inc
A.B.N. 26 587 653 803
Statement of Cash Flows
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash Flow from Operating Activities			
Receipts from Resident Fees		2,135,883	1,530,667
Receipts from Government		5,308,409	5,291,669
Interest Received		1,916	8,047
Receipts from Others		134,035	257,885
Payments to Suppliers and Employees		<u>(8,437,431)</u>	<u>(6,725,419)</u>
Net cash provided by/(used in) operating activities		<u>(857,188)</u>	<u>362,849</u>
Cash Flow from Investing Activities			
Payments for Property, Plant & Equipment		<u>(432,508)</u>	<u>(3,524,089)</u>
Net cash provided by/(used in) by investing activities		<u>(432,508)</u>	<u>(3,524,089)</u>
Cash Flow from Financing Activities			
Increase/(Decrease) Accommodation Deposits		604,478	1,788,881
Increase/(Decrease) in Entry Contributions		<u>(357,726)</u>	<u>453,526</u>
Net cash provided by/(used in) financing activities		<u>246,752</u>	<u>2,242,407</u>
Net increase (decrease) in cash held		(1,042,944)	(918,833)
Cash at the beginning of the year		<u>7,616,739</u>	<u>8,535,572</u>
Cash at the end of the year	5	<u><u>6,573,795</u></u>	<u><u>7,616,739</u></u>

The accompanying notes form part of these financial statements.

FinnCare Inc
A.B.N. 26 587 653 803
Notes to the Financial Statements
For the year ended 30 June 2022

These financial statements cover FinnCare Inc (formerly Australian Finnish Rest Home Association Incorporated) as an individual entity. FinnCare changed its name effective 16 October 2020. FinnCare is an Association incorporated in the Australian Capital Territory and operating pursuant to the *Associations Incorporation Reform Act 2012*.

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Associations Incorporations Act (QLD) 1981*, the *Australian Charities and Not-for-Profits Commission Act 2012*, *Aged Care Act 1997*, *Australian Accounting Standards – Simplified Disclosures* and Interpretations of the Australian Accounting Standards Board. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Revenue and Other Income

The Association recognises revenue and other income as follows:

Rendering of Services

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

Government operating grants

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

When both these conditions are satisfied, the Association:

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

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

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

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

FinnCare Inc
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Notes to the Financial Statements
For the year ended 30 June 2022

(a) Revenue and Other Income (Continued)

Contributed assets

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

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

Donations

Donations and bequests are recognised as revenue when received.

Other revenue

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

Other income – Interest

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

Other income - Daily Accommodation Payments (DAP)

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

Other income - Deferred Management Fees

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

(b) Income tax

As the Association is a charitable institution in terms of subsection 50-5 of the *Income Tax Assessment Act 1997*, as amended, it is exempt from paying Income Tax.

(c) Inventories on Hand

Inventories held for sale are measured at the lower of cost and net realisable value.

(d) Current and Non-Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realized or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realized within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

FinnCare Inc
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Notes to the Financial Statements
For the year ended 30 June 2022

(e) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at-call with financial institutions, other short-term highly liquid investments with original maturities of six months or less that are readily converted to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Trade and Other Receivables

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

(g) Property, Plant and Equipment

Assets purchased with Grant Funding cannot be used for any other purpose than that stated in the funding agreement and cannot be sold or otherwise disposed of without the permission of the funding body, and a contingent liability may exist in relation to any sale proceeds.

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

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount through the profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(h) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Land and Buildings

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses.

Fair value is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are recognised against the asset revaluation reserve directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Depreciation

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows.

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Notes to the Financial Statements
For the year ended 30 June 2022

(g) Property, Plant and Equipment (Continued)

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

Class of Asset	Depreciation Rate
Buildings	2.50% - 3.3%
Plant and Equipment	2.50% - 40.00%
Furniture & Fittings	7.50% - 38.00%
Office Equipment	14.00% - 40.00%
Motor vehicles	15.00% - 18.75%

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

Gains and losses on disposals are determined by comparing net proceeds with the carrying amount. These gains and losses are included in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained surplus.

(h) Impairment of Non-Financial Assets

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

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

Where it is not possible to estimate the recoverable amount of an individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognized against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(i) Trade and Other Payables

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

(j) Employee Provisions

Short-term Employee provisions

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

FinnCare Inc
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Notes to the Financial Statements
For the year ended 30 June 2022

(j) Employee Provisions (Continued)

Other Long-term Employee provisions

Provision is made for employees' annual leave and long service leave entitlements not expected to be settled within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognized in profit or loss as part of employee provisions expense.

The Association's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the Association does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current employee provisions.

Defined Contribution Superannuation expense

Contributions are made by the FinnCare Inc to defined contribution superannuation funds and expensed in the period in which they are incurred.

(k) Fair Value Measurement

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

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

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

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from, or payable to, the ATO are presented as operating cash flows.

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

FinnCare Inc
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Notes to the Financial Statements
For the year ended 30 June 2022

(m) Economic Dependence

The Association is dependent on the Department of Health for the majority of its revenue. At the date of this report the Board has no reason to believe the Department will not continue to support the Association.

(n) Leases

The Association as Lessee

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

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

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

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

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

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

The Association as Lessor

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

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

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

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

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

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

FinnCare Inc
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Notes to the Financial Statements
For the year ended 30 June 2022

(o) Aged care Residents and ILU Occupants' Contributions

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

(p) New or Amended Accounting Standards and Interpretations Adopted

The Association has adopted all of the new or amended accounting standards and interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

None of these new or amended Standards had a material impact on the financial report.

(q) Critical Accounting Estimates and Judgements

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

Key Estimates

(i) Impairment

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

At 30 June 2022, the Committee reviewed the key assumptions made by the valuers at 30 June 2018. They concluded that these assumptions remain materially unchanged and are satisfied that carrying amount does not exceed the recoverable amount of land and buildings at 30 June 2022.

(ii) Useful lives of property, plant and equipment

As described in Note 1(g), the Association reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

(iii) Residential aged care accommodation arrangements

For residential aged care accommodation arrangements where the resident has elected to pay a RAD, the Association receives a benefit in the form of an interest-free loan. The adoption of AASB 16 requires recognition of interest expense and corresponding income to reflect the financial benefit received. This has no net impact on profit or loss. The Association has concluded that the impact of this assessment is immaterial as the resident agreement only requires 14 days written notice to vacate and there is no economic incentive for the resident to stay at any specific home given comparable alternative homes available. Given the non-cancellable period of the lease term is 14 days, the difference between the fair value of the refundable deposit and the nominal amount of the RAD would be negligible.

(iv) Deferred management fees from ILU License to Reside

The Association has also concluded that the impact of this assessment is immaterial as the resident agreement only requires 30 days written notice to vacate.

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Notes to the Financial Statements
For the year ended 30 June 2022

(q) Critical Accounting Estimates and Judgements (Continued)

(v) Estimation of retirement villages resident's tenure

An estimate has been made of the tenure of retirement village residents for the purpose of recognising the Deferred Management Fee (DMF) revenue relating to residents occupancy of the retirement village units. This estimate has been made with reference to the historical tenure period of residents and industry norms.

Key Judgements

Estimation of Useful Lives of Assets

The Association determines the estimated useful lives and related depreciation and amortization charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortization charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets

The Association assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the Association and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Long service leave provision

As discussed previously in note 1(j), the liability for long service leave expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(r) Going concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

During the year the Association incurred a deficit of \$1,128,147. In addition, as at the reporting date, current liabilities exceed current assets by \$7,991,391. Notwithstanding this, the committee have determined that the financial report should be prepared on a going concern basis for the following reasons:

- Based on current occupancy levels at the facilities, adequate cash flows will be generated in the next 12 months to move towards a break even position;
- \$13,846,664 of current liabilities relate to resident accommodation bonds, refundable accommodation deposits and retirement village licences which are required by accounting standards to be recognised as current liabilities. However, based on historical refunds of these liabilities, it is unlikely that all of these bonds, deposits and licences would have to be refunded in the next 12 months. Furthermore, it is expected that any refunds of these liabilities will be replaced by incoming contributions of resident accommodation bonds, refundable accommodation deposits and retirement village licences.
- It is not expected that all of the current employee leave entitlements of \$343,605 will be required to be paid in full during the year ending 30 June 2023.

Having regard to these factors, the committee are of the opinion that the basis upon which the accounts are presented is appropriate in the circumstances. Accordingly, no adjustments have been made relating to the recoverability and classification of recorded assets amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

FinnCare Inc
A.B.N. 26 587 653 803
Notes to the Financial Statements
For the year ended 30 June 2022

Note 2: Revenue and Other Income	2022	2021
	\$	\$
Revenue from contracts with customers:		
- Resident & Client Fees	1,813,129	1,288,479
- Government Recurrent Grant Revenue	5,507,341	5,291,669
- Donations & Bequests	545	11,978
- Membership Fees	2,338	2,436
Other income:		
- Accommodation Income	514,411	493,831
- Interest Earned	12,156	5,079
- Sundry Income	131,275	243,471
Total Revenue and Other Income	<u>7,981,195</u>	<u>7,336,943</u>

Note 3: Profit/(Loss) for the Year

Expenses

Profit/(Loss) before income tax includes the following specific expenses:

Employee Benefits Expense

Defined contribution superannuation expense	486,032	409,410
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Other expenses from ordinary activities

Leasing costs expensed under the low value asset exemption	24,191	24,345
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Note 4: Auditors Remuneration

Remuneration of the auditor of the Association for:

- audit or review services	22,500	22,500
- assistance with financial report preparation	-	2,000
	<u>22,500</u>	<u>24,500</u>

FinnCare Inc
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Notes to the Financial Statements
For the year ended 30 June 2022

	2022	2021
Note 5: Cash and cash equivalents	\$	\$
Cash on Hand	2,100	2,100
Cash at Bank	6,451,744	7,494,713
Cash at Bank – Capital Replacement Fund*	119,951	119,926
	6,573,795	7,616,739

***Capital Replacement Fund**

The Retirement Villages Act 1999 required a registered retirement village scheme operator to establish and keep a fund for replacing the retirement village's capital items. This represents restricted monies and no amount standing to the credit of this fund may be applied or used for any other purpose.

Note 6: Trade and Other Receivables

Current Assets

Debtor - Residents	84,376	65,892
Interest Receivable	3,736	659
Debtor - Other	80,534	94,259
	168,646	160,810

There are no balances within trade and other receivables that contain assets that are impaired and are past due.

The Association has no significant concentrations of credit risk with respect to any single counterparty or group of counterparties. The Association is dependent on the Department of Health for the majority of its revenue. At the date of this report the Board has no reason to believe the Department will not continue to support the Association.

Note 7: Inventories

Current

At cost- Cafe stock on hand	5,913	8,769
	5,913	8,769

Note 8: Other Assets

Current

Prepayments	85,068	83,334
	85,068	83,334

FinnCare Inc
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Notes to the Financial Statements
For the year ended 30 June 2022

Note 9: Property, Plant and Equipment	2022	2021
	\$	\$
Freehold land:		
- At independent valuation	4,250,000	4,250,000
	<u>4,250,000</u>	<u>4,250,000</u>
Buildings:		
- At independent valuation	9,600,000	9,600,000
- At cost	3,432,774	3,322,731
- Less: Accumulated depreciation	(1,306,486)	(919,299)
	<u>11,726,288</u>	<u>12,003,432</u>
Furniture & Fittings:		
- At Cost	1,261,521	1,121,165
- Less: Accumulated depreciation	(599,197)	(518,890)
	<u>662,324</u>	<u>602,275</u>
Office Equipment		
- At Cost	359,766	317,960
- Less: Accumulated depreciation	(221,990)	(149,590)
	<u>137,776</u>	<u>168,370</u>
Plant and equipment:		
- At Cost	1,126,340	1,026,890
- Less: Accumulated depreciation	(800,847)	(726,728)
	<u>325,493</u>	<u>300,162</u>
Motor vehicles:		
- At cost	204,348	204,348
- Less: Accumulated depreciation	(203,257)	(201,252)
	<u>1,091</u>	<u>3,096</u>
Work in Progress:		
- At cost	29,335	110,477
	<u>29,335</u>	<u>110,477</u>
Total Property, Plant and Equipment*	<u><u>17,132,307</u></u>	<u><u>17,437,812</u></u>

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

FinnCare Inc
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Notes to the Financial Statements
For the year ended 30 June 2022

Note 9: Property, Plant and Equipment (Continued)

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

	Land	Buildings	Furniture & Fittings	Office Equipment	Plant & Equipment	Motor Vehicles	WIP	TOTAL
Balance at 1 July 2021	4,250,000	12,003,432	602,275	168,370	300,162	3,096	110,477	17,437,812
Additions	-	110,042	140,357	82,659	99,450	-	-	432,508
Asset Revaluation	-	-	-	(120,438)	-	-	-	(120,438)
Depreciation Expense	-	(387,186)	(80,308)	(73,957)	(74,119)	(2,005)	-	(617,575)
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	81,142	-	-	(81,142)	-
Balance at 30 June 2022	4,250,000	11,726,288	662,324	137,776	325,493	1,091	29,335	17,132,307

Assets purchased with Grant Funding cannot be used for any other purpose than that stated in the funding agreement and cannot be sold or otherwise disposed of without the permission of the funding body, and a contingent liability may exist in relation to any sale proceeds.

Asset Revaluations

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

Note 10: Trade and Other Payables

	2022	2021
	\$	\$
Unsecured		
- Trade creditors	151,863	157,048
- GST Payable / (refundable)	(51,994)	(53,920)
- Sundry Creditors	274,741	283,995
- Contract Liabilities – Unexpended Grants	259,934	452,300
- Income Received in Advance	-	123
	<u>634,544</u>	<u>839,546</u>

FinnCare Inc
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Notes to the Financial Statements
For the year ended 30 June 2022

Note 11: Provisions	2022	2021
	\$	\$
Current		
Employee Entitlements	343,605	397,875
Non-Current		
Employee Entitlements	112,086	108,448
	<u>455,691</u>	<u>506,323</u>

A provision has been recognised for employee benefits relating to long service leave and annual leave for employees. The measurement and recognition criteria for employee benefits have been included in Note 1 (j).

Note 12: Other Liabilities

Current

Residents Funds		
- Refundable Accommodation Bonds/Deposits	7,597,546	6,993,068
- ILU Occupants' Contributions	6,249,118	6,811,550
	<u>13,846,664</u>	<u>13,804,618</u>

Note 13: Reserves

Asset Revaluation Reserve:

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

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

FinnCare Inc
A.B.N. 26 587 653 803
Notes to the Financial Statements
For the year ended 30 June 2022

Note 14: Financial Risk Management

The Association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and short-term borrowings.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2022 \$	2021 \$
Financial Assets			
Cash and cash equivalents	5	6,573,795	7,616,739
Trade and other receivables	6	168,646	160,810
		<u>6,742,441</u>	<u>7,777,549</u>
Financial Liabilities			
Financial liabilities at amortised cost:			
- trade and other payables	10	634,544	839,546
- other liabilities	12	13,846,664	13,804,618
		<u>14,481,208</u>	<u>14,644,164</u>

Refer to Note 15 for detailed disclosures regarding the fair value measurements of the Association's financial assets and liabilities.

Note 15: Fair Value Measurements

The Association has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after their initial recognition. The Association does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.

Recurring Fair Value Measurements

Financial Assets

Financial Assets at fair value through profit or loss:

- shares in listed corporations - -

Property, Plant & Equipment

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

For freehold land and buildings, the fair values are based on an external independent valuation performed in June 2018, which had used comparable market data for similar properties (for land) and income approach (for buildings).

FinnCare Inc
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Notes to the Financial Statements
For the year ended 30 June 2022

Note 16: Contingent Liabilities and Contingent Assets

Statutory Charge

Under the *Retirement Villages Act 1999*, there exists a Statutory Charge over the land comprising 343 Cleveland-Redland Bay Road, Thornlands to secure certain rights of the residents of this village.

Under the *Retirement Villages Act 1999*, there exists a Statutory Charge over the Capital Replacement Fund to ensure the availability of the fund for the purpose of replacing the retirement village's capital items.

Note 17: Segment information

Business segments

The Association is comprised of the following business segments:

Segment	Activities
Management	The provider of accommodation, care and services is the FinnCare Inc; an incorporated Association with a voluntary board of management specifically formed to provide care to ageing Finns.
Villas	A retirement living complex comprising of 23 independent living units.
Residential Aged Care	A 61 bed ageing in place residential aged care facility.
Home Support Services	Provision of home care and service packages predominantly to the Finnish and Scandinavian communities in Brisbane and its surrounds.
Trading Operations	Provision of ancillary services such as the Poro Café and FinnGym to external parties as a business concern.

FinnCare Inc
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Notes to the Financial Statements
For the year ended 30 June 2022

2022	Residential Aged Care	Home Support Services	Villas	Trading Operations	Management	Consolidated
	\$	\$	\$	\$	\$	\$
INCOME						
Resident Fees	1,193,931	464,777	154,422	-	-	1,813,130
Interest Earned	7,203	-	27	-	4,926	12,156
Government Subsidies	4,179,041	1,328,300	-	-	-	5,507,341
Accommodation Income	309,705	-	-	-	204,706	514,411
Donations	-	-	-	-	545	545
Membership Fees	-	-	-	-	2,338	2,338
Sundry Income	12,079	82	-	119,104	9	131,274
Total Income	5,701,959	1,793,159	154,449	119,104	212,524	7,981,195
EXPENDITURE						
Care Employee Expenses	4,277,826	1,020,707	35,539	-	-	5,334,072
Admin Employee Expenses	754,911	340,236	-	59,531	7,087	1,161,764
Depreciation and Amortisation	436,702	31,736	-	4,994	144,142	617,574
Catering Expenses	252,524	-	-	52,412	-	304,936
Repairs & Maintenance	161,621	5,877	16,914	9,481	40,348	234,240
Seminars & Training	27,038	14,700	262	418	1,627	44,045
Capital Gain Paid to Villa Residents on exit	-	-	-	-	-	-
Other Expenses	704,204	533,180	102,710	13,442	59,175	1,412,711
Total Expenditure	6,614,826	1,946,434	155,425	140,278	252,378	9,109,342
RESULT FOR THE YEAR	(912,867)	(153,275)	(976)	(21,174)	(39,854)	(1,128,147)

FinnCare Inc
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Notes to the Financial Statements
For the year ended 30 June 2022

2022	Residential Aged Care	Home Support Services	Villas	Trading Operations	Management	Consolidated
	\$	\$	\$	\$	\$	\$
SEGMENT ASSETS						
Cash	4,021,124	138,279	119,951	600	2,293,841	6,573,795
Trade Receivables	100,440	67,458	-	-	748	168,646
Inventories	-	-	-	5,913	-	5,913
Other Current Assets	68,054	17,014	-	-	-	85,068
Total Current Assets	4,189,618	222,751	119,951	6,513	2,294,589	6,833,422
Property, Plant & Equipment	866,543	226,210	-	33,931	16,005,623	17,132,307
Total Non-Current Assets	866,543	226,210	-	33,931	16,005,623	17,132,307
TOTAL ASSETS	5,056,162	448,961	119,951	40,444	18,300,211	23,965,729
SEGMENT LIABILITIES						
Trade Payables	299,688	334,856	-	-	-	634,544
Provisions for Leave	206,163	137,442	-	-	-	343,605
Accommodation Bonds / Deposits	7,597,546	-	-	-	-	7,597,546
Entry Contributions	-	-	-	-	6,249,118	6,249,118
Total Current Liabilities	8,103,397	472,298	-	-	6,249,118	14,824,813
Provisions for Leave	89,669	22,417	-	-	-	112,086
Total Non-Current Liabilities	89,669	22,417	-	-	-	112,086
TOTAL LIABILITIES	8,193,066	494,715	-	-	6,429,118	14,936,899
NET ASSETS	(3,136,904)	(45,754)	119,951	40,444	12,051,093	9,028,830

FinnCare Inc
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Notes to the Financial Statements
For the year ended 30 June 2022

2021	Residential Aged Care	Home Support Services	Villas	Trading Operations	Management	Consolidated
	\$	\$	\$	\$	\$	\$
INCOME						
Resident Fees	978,493	169,396	140,590	-	-	1,288,479
Interest Earned	23	-	35	-	5,021	5,079
Government Subsidies	3,436,472	1,855,197	-	-	-	5,291,669
Accommodation Income	307,366	6,720	-	-	179,745	493,831
Donations	2,700	-	-	-	9,278	11,978
Membership Fees	-	-	-	-	2,436	2,436
Sundry Income	69,519	3,179	-	115,850	54,923	243,471
Total Income	4,794,573	2,034,492	140,625	115,850	251,403	7,336,943
EXPENDITURE						
Care Employee Expenses	3,133,883	1,301,191	39,273	-	-	4,474,347
Admin Employee Expenses	553,039	229,622	-	55,561	6,432	844,654
Depreciation and Amortisation	295,807	6,430	-	2,292	141,791	446,320
Catering Expenses	172,792	-	-	45,744	-	218,536
Repairs & Maintenance	103,447	-	9,147	12,150	4,023	128,767
Seminars & Training	15,915	9,839	255	388	2,254	28,651
Capital Gain Paid to Villa Residents on exit	-	-	-	-	-	-
Other Expenses	754,974	344,891	91,920	14,554	29,634	1,235,973
Total Expenditure	5,029,857	1,891,973	140,595	130,689	184,134	7,377,248
RESULT FOR THE YEAR	(235,284)	142,519	30	(14,839)	67,269	(40,305)

FinnCare Inc
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Notes to the Financial Statements
For the year ended 30 June 2022

2021	Residential Aged Care	Home Support Services	Villas	Trading Operations	Management	Consolidated
	\$	\$	\$	\$	\$	\$
SEGMENT ASSETS						
Cash	4,501,532	137,704	119,926	600	2,856,977	7,616,739
Trade Receivables	128,516	32,162	-	-	132	160,810
Inventories	-	-	-	8,769	-	8,769
Other Current Assets	66,667	16,667	-	-	-	83,334
Total Segment Current Assets	4,696,715	186,533	119,926	9,369	2,857,109	7,869,652
Property, Plant & Equipment	824,521	217,256	-	32,126	16,363,909	17,437,812
Total Segment Non-Current Assets	824,521	217,256	-	32,126	16,363,909	17,437,812
TOTAL SEGMENT ASSETS	5,521,236	403,789	119,926	41,495	19,221,018	25,307,464
SEGMENT LIABILITIES						
Trade Payables	309,797	529,749	-	-	-	839,546
Provisions for Leave	318,300	79,575	-	-	-	397,875
Accommodation Bonds / Deposits	6,993,068	-	-	-	-	6,993,068
Entry Contributions	-	-	-	-	6,811,550	6,811,550
Total Segment Current Liabilities	7,621,165	609,324	-	-	6,811,550	15,042,039
Provisions for Leave	86,758	21,690	-	-	-	108,448
Total Segment Non-Current Liabilities	86,758	21,690	-	-	-	108,448
TOTAL SEGMENT LIABILITIES	7,707,923	631,014	-	-	6,811,550	15,150,487
SEGMENT NET ASSETS	(2,186,687)	(227,225)	119,926	41,495	12,409,468	10,156,977

FinnCare Inc
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Notes to the Financial Statements
For the year ended 30 June 2022

Note 18: Events After the Balance Sheet Date

FinnCare has previously received grant funding to cover part of its expenses incurred providing residential aged care under the ACFI model. From 1 October 2022 the Australian National Aged Care Classification (AN-ACC) funding model will commence replacing the ACFI model, the details and impact of this change will not be known to FinnCare until 30 September 2022. \$4,178,117.14 or 52% of FinnCare's total revenue of \$7,981,195 was derived from the ACFI model in 2021/22.

There were no additional matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

Note 19: Association Details

The principal place of business of the Association is

FinnCare Inc
343 Cleveland-Redland Bay Road
THORNLANDS QLD 4164

Note 20: Related Party Transactions

The Association's main related parties are as follows:

Key management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, is considered key management personnel.

Based on this definition the key management personnel ('KMP') have been determined to be the Board of Directors and FinnCare's Executive Management Team. All Directors act in an honorary capacity and receive no remuneration for their services. The combined executive management team's annualised salary and wage costs were \$709,500 for the 2022 financial year.

Other related parties

Other related parties include immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their immediate family members.

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

FinnCare Inc has the following policies:

- No member of the Board is to be a paid employee of the Association.
- If a decision of the Board is required regarding a transaction that involves a member of the Board or their associate, that member is to be excused whilst discussions and decisions are made in regards to that transaction.
- No key management Personnel is to be involved in approving transactions that involve their associates.

There were no transactions which occurred with related parties during the year.

There were no loans to or from related parties at the current and previous reporting date.

FinnCare Inc
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Notes to the Financial Statements
For the year ended 30 June 2022

Note 21: Commitments

The association did not have any commitments at 30 June 2022 (2021: \$nil).

Note 22: Coronavirus (COVID-19) Pandemic

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

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


FinnCare Inc
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Statement by Members of the Committee

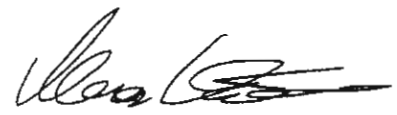
In the opinion of the Committee the financial report as set out on pages 2 to 27:

1. The attached financial statements and notes comply with the *Australian Accounting Standards – Simplified Disclosure Requirements*;
2. The attached financial statements and notes give a true and fair view of the financial position of FinnCare Inc as at 30 June 2022 and its performance for the year ended on that date in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*; and
3. At the date of this statement, there are reasonable grounds to believe that FinnCare Inc will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



Amy Piekkala-Fletcher - President



Milka Underhill - Treasurer

Dated this 20th day of September 2022.

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

**TO THE MEMBERS OF THE COMMITTEE OF
FINNCARE INC**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there has been:

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

Bentleys

Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants

Ashley Carle

Ashley Carle
Director
Brisbane
20 September 2022

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FINNCARE INC**

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of FinnCare Inc. ("the Association"), which comprises the statement of financial position as at 30 June 2022 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Members of the Committee.

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

- (i) giving a true and fair view of the Association's financial position as at 30 June 2022 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-Profits Commission Regulations 2013*.

Basis of opinion

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

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

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

The Committee's Responsibility for the Financial Report

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

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FINNCARE INC (CONT'D)**

Auditor's Responsibility

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

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

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

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

Bentleys

Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants

Ashley Carle
Ashley Carle

Director

Brisbane, 21 September 2022

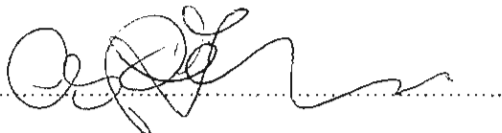
FinnCare Inc
A.B.N. 26 587 653 803
Independent Living Units
General Services Fund
Statement by Committee

We, the Committee of FinnCare Inc (formerly Australian Finnish Rest Home Association Inc) Independent Living Units, state that this special purpose financial report has been prepared as required under the provisions of the *Retirement Villages Act 1999*.

In the opinion of the committee the financial report comprising the Statement of Income and Expenditure, Statement of Asset and Liabilities and Statement of Changes in Equity:

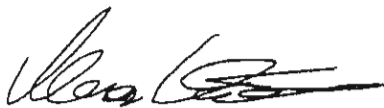
1. presents a true and fair view of the financial position of the FinnCare Inc. Independent Living Units as at the 30 June 2022 and its performance for the year ended on that date and the movement in the General Services Fund for the year ended on that date.
2. at 30 June 2022 the General Services Fund with a balance of \$10,824 has been established for future expenditure on managing the FinnCare Inc. Independent Living Units.

Signed in accordance with a resolution of the Members of the Committee on 20 September 2022:



Name: Amy Piekkala-Fletcher - President

Date: 20 September 2022



Name: Milka Underhill - Treasurer

Date: 20 September 2022

FinnCare Inc

A.B.N. 26 587 653 803

Independent Living Units General Services Fund

STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022	2021
		\$	\$
INCOME			
Resident fees		149,757	145,287
Interest received		3	7
Total revenue		149,760	145,294
EXPENDITURE			
Accounting & Audit Remuneration Fees		3,463	939
Computer Software & IT Expenditure		9,156	8,644
Insurance		13,604	14,278
Telephone & Emergency Call		7,632	8,702
Utilities - Rates, Electricity & Gas		68,853	59,357
Repairs & Maintenance		15,913	9,147
Wages, Superannuation & Employment Costs		35,801	39,527
Total Expenditure		154,422	140,594
Profit/(Loss)		(4,662)	4,700
GSF deficit from previous years recovered		-	-
Profit/(Loss) from Operations		(4,662)	4,700

The accompanying notes form part of these financial statements

FinnCare Inc

A.B.N. 26 587 653 803

Independent Living Units General Services Fund

STATEMENT OF ASSETS AND LIABILITIES
AS AT 30 JUNE 2022

	Notes	2022 \$	2021 \$
CURRENT ASSETS			
Cash at bank		10,824	15,486
Sundry debtors		-	-
Total Current Assets		10,824	15,486
NON-CURRENT ASSETS			
Property, plant and equipment		-	-
Total Non-Current Assets		-	-
TOTAL ASSETS		10,824	15,486
CURRENT LIABILITIES			
Total Current Liabilities		-	-
NON-CURRENT LIABILITIES			
Total Non-Current Liabilities		-	-
TOTAL LIABILITIES		-	-
NET ASSETS		10,824	15,486
EQUITY			
Retained earnings		10,824	15,486
TOTAL EQUITY		10,824	15,486

The accompanying notes form part of these financial statements

FinnCare Inc

A.B.N. 26 587 653 803

Independent Living Units General Services Fund

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Retained Surplus	Total
	\$	\$
Balance at 1 July 2020	10,786	10,786
Profit/(Loss) for the year	4,700	4,700
Balance at 30 June 2021	<u>15,486</u>	<u>15,486</u>
Profit/(Loss) for the year	(4,662)	(4,662)
Balance at 30 June 2022	<u>10,824</u>	<u>10,824</u>

The accompanying notes form part of these financial statements

FinnCare Inc

A.B.N. 26 587 653 803

Independent Living Units General Services Fund

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Retirement Villages Act 1999*. The committee has determined that FinnCare Inc is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the *Retirement Villages Act 1999*.

No Australian Accounting Standards have been applied in the preparation of the financial report.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations or non-current assets.

No other material accounting policies have been adopted in the preparation of this financial report.

2. CONTINGENT LIABILITIES

Statutory Charge

Under the *Retirement Villages Act 1999*, there exists a Statutory Charge over the land comprising of 343 Cleveland-Redland Bay Rd, Thornlands to secure certain rights of the residents in this village. There are no other charges over the property.

3. INSURANCE CLAIMS

No insurance claims were made or received during the current financial year.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FINNCARE INC – INDEPENDENT LIVING UNITS –
GENERAL SERVICES FUND**

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of FinnCare Inc. Independent Living Units - General Services Fund which comprises the Statement of Assets and Liabilities as at 30 June 2022 and the Statement of Income and Expenditure and Statement of Changes in Equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Statement by Committee.

In our opinion the financial report presents fairly, in all material respects, the financial position of FinnCare Inc. Independent Living Units - General Services Fund as at 30 June 2022 and its Income and Expenditure for the year then ended, in accordance with the *Retirement Villages Act 1999* and the accounting policies described in Note 1.

Basis for Opinion

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

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the organisation's financial reporting responsibilities under the *Retirement Villages Act 1999*. As a result, the financial report may not be suitable for another purpose. Our opinion has not been modified in respect of this matter.

The Committees' Responsibility for the Financial Report

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

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FINNCARE INC – INDEPENDENT LIVING UNITS –
GENERAL SERVICES FUND (CONT'D)**

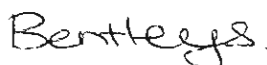
Auditor's Responsibility

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

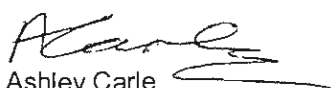
As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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



Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants



Ashley Carle
Director
Brisbane, 21 September 2022


FinnCare Inc
A.B.N. 26 587 653 803
Independent Living Units
Maintenance Reserve Fund
Statement by Committee

We, the Committee of FinnCare Inc (formerly Australian Finnish Rest Home Association Inc) Independent Living Units, state that this special purpose financial report has been prepared as required under the provisions of the *Retirement Villages Act 1999*.

In the opinion of the committee the financial report comprising the Statement of Income and Expenditure, Statement of Asset and Liabilities and Statement of Changes in Equity:

1. presents a true and fair view of the financial position of FinnCare Inc Independent Living Units Maintenance Reserve Fund as at the 30 June 2022 and its performance for the year ended on that date and the movement in the Maintenance Reserve Fund for the year ended on that date.
2. at 30 June 2022 the Maintenance Reserve Fund with a balance of \$40,059 has been established for future expenditure on maintaining and repairing the FinnCare Inc Independent Living Units capital items.

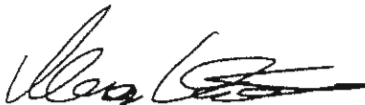
Signed in accordance with a resolution of the Members of the Committee on 20 September 2022:



.....

Name: Amy Piekkala-Fletcher - President

Date: 20 September 2022



.....

Name: Milka Underhill - Treasurer

Date: 20 September 2022

FinnCare Inc

A.B.N. 26 587 653 803

Independent Living Units Maintenance Reserve Fund

STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022	2021
		\$	\$
INCOME			
Resident contributions		29,859	29,626
Interest received		-	-
Total revenue		<u>29,859</u>	<u>29,626</u>
EXPENDITURE			
Accounting & Audit Fees		-	-
Bank charges		-	-
Fees & registrations		-	-
Repairs & Maintenance		28,331	21,169
Total Expenditure		<u>28,331</u>	<u>21,169</u>
Profit/(Loss)		<u>1,528</u>	<u>8,457</u>

The accompanying notes form part of these financial statements

FinnCare Inc

A.B.N. 26 587 653 803

Independent Living Units Maintenance Reserve Fund

STATEMENT OF ASSETS AND LIABILITIES
AS AT 30 JUNE 2022

	Notes	2022 \$	2021 \$
CURRENT ASSETS			
Cash at bank		40,059	38,531
Sundry debtors		-	-
Total Current Assets		40,059	38,531
NON-CURRENT ASSETS			
Property, plant and equipment		-	-
Total Non-Current Assets		-	-
TOTAL ASSETS		40,059	38,531
CURRENT LIABILITIES			
Total Current Liabilities		-	-
NON-CURRENT LIABILITIES			
Total Non-Current Liabilities		-	-
TOTAL LIABILITIES		-	-
NET ASSETS		40,059	38,531
EQUITY			
Retained earnings		40,059	38,531
TOTAL EQUITY		40,059	38,531

The accompanying notes form part of these financial statements

FinnCare Inc

A.B.N. 26 587 653 803

Independent Living Units Maintenance Reserve Fund

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Retained Surplus	Total
	\$	\$
Balance at 1 July 2020	30,074	30,074
Profit/(Loss) for the year	8,457	8,457
Balance at 30 June 2021	<u>38,531</u>	<u>38,531</u>
Profit/(Loss) for the year	1,528	1,528
Balance at 30 June 2022	<u>40,059</u>	<u>40,059</u>

The accompanying notes form part of these financial statements

FinnCare Inc

A.B.N. 26 587 653 803

Independent Living Units Maintenance Reserve Fund

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Retirement Villages Act 1999*. The committee has determined that FinnCare Inc is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the *Retirement Villages Act 1999*.

No Australian Accounting Standards have been applied in the preparation of the financial report.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations or non-current assets.

No other material accounting policies have been adopted in the preparation of this financial report.

2. MAINTENANCE RESERVE FUND

The *Retirement Villages Act 1999* requires a registered Retirement Village scheme operator to establish and keep a trust account solely for the benefit of the residents. This fund is to be used solely for maintaining and repairing the Retirement Village capital items and quantify surveyor's fees in relation to projected costs for 10 years.

3. CONTINGENT LIABILITIES

Statutory Charge

Under the *Retirement Villages Act 1999*, there exists a Statutory Charge over the land comprising of 343 Cleveland-Redland Bay Rd, Thornlands to secure certain rights of the residents in this village. There are no other charges over the property.

Under the *Retirement Villages Act 1999*, the scheme operator holds on trust solely for the benefit of residents a Maintenance Reserve Fund to ensure the availability of funds for the purpose of:

- (i) maintaining and repairing the villages capital items;
- (ii) paying the quantity surveyors reasonable fees for giving a report for section 98; and
- (iii) paying tax on amounts received by the fund under section 100(1)(b).

4. INSURANCE CLAIMS

No insurance claims were made or received during the current financial year.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FINNCARE INC – INDEPENDENT LIVING UNITS –
MAINTENANCE RESERVE FUND**

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of FinnCare Inc. Independent Living Units - Maintenance Reserve Fund which comprises the Statement of Assets and Liabilities as at 30 June 2022 and the Statement of Income and Expenditure and Statement of Changes in Equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Statement by Committee.

In our opinion the financial report presents fairly, in all material respects, the financial position of FinnCare Inc. Independent Living Units - Maintenance Reserve Fund as at 30 June 2022 and its Income and Expenditure for the year then ended, in accordance with the *Retirement Villages Act 1999* and the accounting policies described in Note 1.

Basis for Opinion

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

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the organisation's financial reporting responsibilities under the *Retirement Villages Act 1999*. As a result, the financial report may not be suitable for another purpose. Our opinion has not been modified in respect of this matter.

The Committees' Responsibility for the Financial Report

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

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FINNCARE INC – INDEPENDENT LIVING UNITS –
MAINTENANCE RESERVE FUND (CONT'D)**

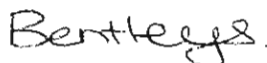
Auditor's Responsibility

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

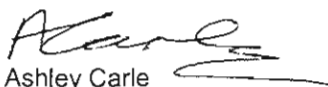
As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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



Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants



Ashley Carle
Director
Brisbane, 21 September 2022

FinnCare Inc
A.B.N. 26 587 653 803
Independent Living Units
Capital Replacement Fund
Statement by Committee

We, the Committee of FinnCare Inc (formerly Australian Finnish Rest Home Association Inc) Independent Living Units, state that this special purpose financial report has been prepared as required under the provisions of the *Retirement Villages Act 1999*.

In the opinion of the committee the financial report comprising the Statement of Income and Expenditure, Statement of Asset and Liabilities and Statement of Changes in Equity:

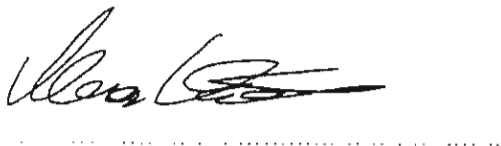
1. presents a true and fair view of the financial position of FinnCare Inc Independent Living Units as at the 30 June 2022 and its performance for the year ended on that date and the movement in the Capital Reserve Fund for the year ended on that date.
2. at 30 June 2022 the Capital Replacement Fund with a balance of \$18,144 has been established for future expenditure on replacing the FinnCare Inc Independent Living Units capital items.

Signed in accordance with a resolution of the Members of the Committee on 20 September 2022:



Name: Amy Piekkala-Fletcher - President

Date: 20 September 2022



Name: Milka Underhill - Treasurer

Date: 20 September 2022

FinnCare Inc

A.B.N. 26 587 653 803

Independent Living Units Capital Replacement Fund

STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022	2021
		\$	\$
INCOME			
Interest received		24	31
Contribution to the fund		98,960	-
Total revenue		<u>98,984</u>	<u>31</u>
EXPENDITURE			
Accounting & Audit Fees		-	-
Bank charges		-	-
Fees & registrations		-	-
Capital replacements		98,960	-
Total Expenditure		<u>98,960</u>	<u>-</u>
Profit/(Loss) before income tax		<u>24</u>	<u>31</u>
Income tax expense		<u>-</u>	<u>-</u>
Profit/(Loss) from operations		<u>24</u>	<u>31</u>

The accompanying notes form part of these financial statements

FinnCare Inc

A.B.N. 26 587 653 803

Independent Living Units Capital Replacement Fund

STATEMENT OF ASSETS AND LIABILITIES
AS AT 30 JUNE 2022

	Notes	2022 \$	2021 \$
CURRENT ASSETS			
Cash at bank		119,950	119,926
Sundry debtors		-	-
Total Current Assets		119,950	119,926
NON-CURRENT ASSETS			
Property, plant and equipment		-	-
Total Non-Current Assets		-	-
TOTAL ASSETS		119,950	119,926
CURRENT LIABILITIES			
Loan from FinnCare		101,806	101,806
Total Current Liabilities		101,806	101,806
NON-CURRENT LIABILITIES			
Total Non-Current Liabilities		-	-
TOTAL LIABILITIES		101,806	101,806
NET ASSETS		18,144	18,120
EQUITY			
Retained earnings		18,144	18,120
TOTAL EQUITY		18,144	18,120

The accompanying notes form part of these financial statements

FinnCare Inc

A.B.N. 26 587 653 803

Independent Living Units Capital Replacement Fund

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Retained Surplus	Total
	\$	\$
Balance at 1 July 2020	18,089	18,089
Profit/(Loss) for the year	31	31
Balance at 30 June 2021	<u>18,120</u>	<u>18,120</u>
Profit/(Loss) for the year	24	24
Balance at 30 June 2022	<u>18,144</u>	<u>18,144</u>

The accompanying notes form part of these financial statements

FinnCare Inc

A.B.N. 26 587 653 803

Independent Living Units Capital Replacement Fund

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Retirement Villages Act 1999*. The committee has determined that FinnCare Inc is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the *Retirement Villages Act 1999*.

No Australian Accounting Standards have been applied in the preparation of the financial report.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations or non-current assets.

No other material accounting policies have been adopted in the preparation of this financial report.

2. CAPITAL REPLACEMENT FUND

The *Retirement Villages Act 1999* requires a registered retirement village scheme operator to establish and keep a fund for replacing the Retirement Villages capital items. No amount standing to the credit of this fund may be applied or used for any other purpose.

3. CONTINGENT LIABILITIES

Statutory Charge

Under the *Retirement Villages Act 1999*, there exists a Statutory Charge over the land comprising of 343 Cleveland-Redland Bay Rd, Thornlands to secure certain rights of the residents in this village. There are no other charges over the property.

Under the *Retirement Villages Act 1999*, there exists a Statutory Charge over the Capital Replacement Fund to ensure the availability of the fund for the purpose of replacing the Retirement Village's capital items.

4. INSURANCE CLAIMS

No insurance claims were made or received during the current financial year.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FINNCARE INC – INDEPENDENT LIVING UNITS –
CAPITAL REPLACEMENT FUND**

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of FinnCare Inc. Independent Living Units - Capital Replacement Fund which comprises the Statement of Assets and Liabilities as at 30 June 2022 and the Statement of Income and Expenditure and Statement of Changes in Equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Statement by Committee.

In our opinion the financial report presents fairly, in all material respects, the financial position of FinnCare Inc. Independent Living Units - Capital Replacement Fund as at 30 June 2022 and its Income and Expenditure for the year then ended, in accordance with the *Retirement Villages Act 1999* and the accounting policies described in Note 1.

Basis for Opinion

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

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the organisation's financial reporting responsibilities under the *Retirement Villages Act 1999*. As a result, the financial report may not be suitable for another purpose. Our opinion has not been modified in respect of this matter.

The Committees' Responsibility for the Financial Report

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

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FINNCARE INC – INDEPENDENT LIVING UNITS –
CAPITAL REPLACEMENT FUND (CONT'D)**

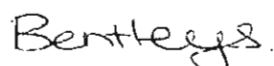
Auditor's Responsibility

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

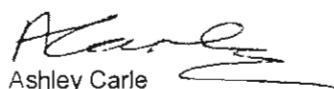
As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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



Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants



Ashley Carle
Director
Brisbane, 21 September 2022

CONTACT DETAILS



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Our Vision is of a community where we can celebrate our culture through care-giving to others.

Our Mission is to continue to unite our unique Finnish culture with world leading care solutions for the benefit of all generations in our local and cultural communities.
