



# ANNUAL FINANCIAL REPORT

2022-2023

**FinnCare Inc**  
**A.B.N. 26 587 653 803**  
**Committee's Report**  
**For The Year Ended 30 June 2023**

Your committee members submit the financial report of FinnCare Inc (formerly Australian Finnish Rest Home Association Incorporated) for the financial year ended 30 June 2023.

**Committee Members**

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

Amy Piekkala-Fletcher	President (Resigned 31 January 2023)
Katriina Denisenko	Acting President (Appointed 01/02/2023) AFFSC Nominee
Tuula Kuusela	Vice-President, Suomi Conference Nominee
Milka Underhill	Treasurer
Katja Nexø	Secretary (Resigned 27 September 2022)
Salme Durbin	Secretary (Appointed 27 September 2022)

**Other Members**

Tero Blinnikka	Public Officer
Tommy Ruonala	
Ritva Eronen	Australian Hyva Sanoma Nominee
Andrew Crossman	
Heidi Suominen	(Appointed 20 December 2022)
Petra Lappalainen	(Appointed 20 December 2022)

**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/(Deficit) from ordinary activities after providing for income tax amounted to:

Year ended	Year ended
30 June 2023	30 June 2022
\$	\$
(1,339,302)	(1,766,816)

**Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on page 30 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 28 September 2023:

*Katriina Denisenko*

Katriina Denisenko (nee Tahka) - President

**FinnCare Inc**  
**A.B.N. 26 587 653 803**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year Ended 30 June 2023**

	Note	2023 \$	2022 Restated \$
<b>Revenue and Other Income</b>	3	8,132,761	7,342,526
<b>Expenses</b>			
Cleaning		(86,487)	(74,313)
Consultants Fees & Professional Services		(155,423)	(348,915)
Depreciation and amortisation expense		(615,874)	(617,575)
Employee benefits expenses		(6,953,988)	(6,495,836)
Impairment Cost		-	(120,438)
Insurance		(51,899)	(47,032)
Kitchen & Café Expenses		(327,433)	(304,936)
Medical Expenditure		(145,035)	(146,839)
Motor Vehicle & Travel Expenses		(16,304)	(16,432)
Repairs and Maintenance		(399,350)	(234,240)
Seminars, Conferences & Staff Training		(30,525)	(44,045)
Telephones		(19,078)	(22,541)
Utilities (Rates, Gas & Electricity)		(241,258)	(203,917)
Other expenses from ordinary activities		(429,409)	(432,283)
<b>Current Year Surplus / (Deficit) before income tax</b>		<b>(1,339,302)</b>	<b>(1,766,816)</b>
Income tax expense	1(b)	-	-
<b>Net Current Year Surplus / (Deficit)</b>		<b>(1,339,302)</b>	<b>(1,766,816)</b>
<b>Other comprehensive income</b>			
Gain on revaluation of land and building		561,715	-
<b>Total Comprehensive Income attributable to members of the entity</b>		<b>(777,587)</b>	<b>(1,766,816)</b>

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 2023**

	Note	2023 \$	Revised 2022	2022 \$
<b>Current Assets</b>				
Cash and cash equivalents	5	5,619,153	6,573,795	6,573,795
Trade and other receivables	6	414,205	168,646	168,646
Inventories	7	5,660	5,913	5,913
Other current assets	8	77,935	85,068	85,068
<b>Total Current Assets</b>		<b>6,116,953</b>	<b>6,833,422</b>	<b>6,833,422</b>
<b>Non-Current Assets</b>				
Property, plant and equipment	9	17,371,246	17,132,307	17,132,307
Other Non Current Assets		61	-	-
<b>Total Non-Current Assets</b>		<b>17,371,307</b>	<b>17,132,307</b>	<b>17,132,307</b>
<b>Total Assets</b>		<b>23,488,260</b>	<b>23,965,729</b>	<b>23,965,729</b>
<b>Current Liabilities</b>				
Trade and other Payables	10	1,419,420	1,273,213	634,544
Provisions	11	348,138	343,605	343,605
Other current liabilities	12	13,990,094	13,846,664	13,846,664
<b>Total Current Liabilities</b>		<b>15,757,652</b>	<b>15,463,482</b>	<b>14,824,813</b>
<b>Non-Current Liabilities</b>				
Provisions	11	118,034	112,086	112,086
<b>Total Non-Current Liabilities</b>		<b>118,034</b>	<b>112,086</b>	<b>112,086</b>
<b>Total Liabilities</b>		<b>15,875,686</b>	<b>15,575,568</b>	<b>14,936,899</b>
<b>Net Assets</b>		<b>7,612,574</b>	<b>8,390,161</b>	<b>9,028,830</b>
<b>Equity</b>				
Retained earnings/(Accumulated losses)		(3,764,087)	(2,424,785)	(1,786,116)
Reserves	13	11,376,661	10,814,946	10,814,946
<b>Total Equity</b>		<b>7,612,574</b>	<b>8,390,161</b>	<b>9,028,830</b>

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 2023**

Note	Retained Earnings/ (Accumulated losses) \$	Reserves \$	Total \$
<b>Balance at 30 June 2021</b>	(657,969)	10,814,946	10,156,977
<b><i>Total Comprehensive Income</i></b>			
Asset Revaluation Movements	-	-	-
Net surplus/(deficit) attributable to the Association	(1,766,816)	-	(1,766,816)
<b>Balance at 30 June 2022</b>	<u>(2,424,785)</u>	<u>10,814,946</u>	<u>8,390,161</u>
 <b>Balance at 30 June 2022</b>	 (2,424,785)	 10,814,946	 8,390,161
<b><i>Total Comprehensive Income</i></b>			
Asset Revaluation Movements	-	561,715	561,715
Net surplus/(deficit) attributable to the Association	(1,339,302)	-	(1,339,302)
<b>Balance at 30 June 2023</b>	<u>(3,764,087)</u>	<u>11,376,661</u>	<u>7,612,574</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 2023**

	Note	2023 \$	2022 \$
<b>Cash Flow from Operating Activities</b>			
Receipts from Resident Fees		2,118,263	2,135,883
Receipts from Government		5,824,043	5,308,409
Interest Received		179,356	1,916
Receipts from Others		20,465	134,035
Payments to Suppliers and Employees		(8,946,765)	(8,437,431)
<b>Net cash provided by/(used in) operating activities</b>		<b>(804,638)</b>	<b>(857,188)</b>
<b>Cash Flow from Investing Activities</b>			
Payments for Property, Plant & Equipment		(293,432)	(432,508)
<b>Net cash provided by/(used in) by investing activities</b>		<b>(293,432)</b>	<b>(432,508)</b>
<b>Cash Flow from Financing Activities</b>			
Increase/(Decrease) Accommodation Deposits		327,411	604,478
Increase/(Decrease) in Entry Contributions		(183,983)	(357,726)
<b>Net cash provided by/(used in) financing activities</b>		<b>143,428</b>	<b>246,752</b>
Net increase (decrease) in cash held		(954,642)	(1,042,944)
Cash at the beginning of the year		6,573,795	7,616,739
<b>Cash at the end of the year</b>	<b>5</b>	<b>5,619,153</b>	<b>6,573,795</b>

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 2023**

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**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

**(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**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

**(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.

**FinnCare Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

**(g) Property, Plant and Equipment (Continued)**

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

<b>Class of Asset</b>	<b>Depreciation Rate</b>
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**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

**(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**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

**(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**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

**(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) Revaluation*

The freehold land and buildings were independently valued at 30 June 2023 by Knight Frank. The valuation was based on an unencumbered freehold market value of the existing retirement village and aged care facility on a going concern basis. The valuation resulted in a revaluation increase of \$561,715 being recognised in the revaluation reserve for the year ended 30 June 2023.

*(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.

*(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.



**FinnCare Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

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

**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 \$1,339,302. In addition, as at the reporting date, current liabilities exceed current assets by \$9,590,699. 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;
- \$13,990,094 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 \$348,138 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 2023**

**Note 2: Prior Period Error**

A prior period error has been identified in the 2022 financial statements in respect of the unspent Commonwealth Home Support Program (CHSP) funding for 2021-22. A total of \$638,669 of CHSP funding from 2021/22 was identified as being unspent and not meeting the performance obligations of the funding under *AASB 15 Revenue from Contracts with Customers*. Furthermore, \$527,978 of these funds have been requested for repayment from the Department and it is expected a further \$110,691 will also be requested for repayment.

The \$638,669 was recorded as revenue in the 2022 financial statements but should have been recorded as a contract liability.

In accordance with *AASB 108 – Accounting Policies, Changes in Accounting Estimates and Errors*, the Association has assessed the impact of these prior period errors have had on comparative amounts previously detailed in prior year financial statements. The impact is as follows:

**Statement of Profit or Loss and Other Comprehensive Income**

	Previously audited 30 June 2022 \$	Adjustment \$	Revised 30 June 2022 \$
<b>Revenue and Other Income</b>	7,981,195	(638,669)	7,342,526
<b>Expenses</b>			
Cleaning	(74,313)	-	(74,313)
Consultants Fees & Professional Services	(348,915)	-	(348,915)
Depreciation and amortisation expense	(617,575)	-	(617,575)
Employee benefits expenses	(6,495,836)	-	(6,495,836)
Impairment Cost	(120,438)	-	(120,438)
Insurance	(47,032)	-	(47,032)
Kitchen & Café Expenses	(304,936)	-	(304,936)
Medical Expenditure	(146,839)	-	(146,839)
Motor Vehicle & Travel Expenses	(16,432)	-	(16,432)
Repairs and Maintenance	(234,240)	-	(234,240)
Seminars, Conferences & Staff Training	(44,045)	-	(44,045)
Telephones	(22,541)	-	(22,541)
Utilities (Rates, Gas & Electricity)	(203,917)	-	(203,917)
Other expenses from ordinary activities	(432,283)	-	(432,283)
<b>Current Year Surplus / (Deficit) before income tax</b>	<b>(1,128,147)</b>	<b>(638,669)</b>	<b>(1,766,816)</b>
Income tax expense	-	-	-
<b>Net Current year Surplus / (Deficit)</b>	<b>(1,128,147)</b>	<b>(638,669)</b>	<b>(1,766,816)</b>
<b>Total Comprehensive Income / (Deficit) attributable to members of the entity</b>	<b>(1,128,147)</b>	<b>(638,669)</b>	<b>(1,766,816)</b>

**FinnCare Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

**Note 2: Prior Period Error \*(Continued)**

<b>Statement of Financial Position</b>	<b>Previously audited 30 June 2022</b>	<b>Adjusted \$</b>	<b>Revised 30 June 2022</b>
<b>Current Assets</b>			
Cash and cash equivalents	6,573,795	-	6,573,795
Trade and other receivables	168,646	-	168,646
Inventories	5,913	-	5,913
Other current assets	85,068	-	85,068
<b>Total Current Assets</b>	<b>6,833,422</b>	<b>-</b>	<b>6,833,422</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	17,132,307	-	17,132,307
<b>Total Non-Current Assets</b>	<b>17,132,307</b>	<b>-</b>	<b>17,132,307</b>
<b>Total Assets</b>	<b>23,965,729</b>	<b>-</b>	<b>23,965,729</b>
<b>Current Liabilities</b>			
Trade and other Payables	634,544	638,669	1,273,213
Provisions	343,605	-	343,605
Other current liabilities	13,846,664	-	13,846,664
<b>Total Current Liabilities</b>	<b>14,824,813</b>	<b>638,669</b>	<b>15,463,482</b>
<b>Non-Current Liabilities</b>			
Provisions	112,086	-	112,086
<b>Total Non-Current Liabilities</b>	<b>112,086</b>	<b>-</b>	<b>112,086</b>
<b>Total Liabilities</b>	<b>14,936,899</b>	<b>638,669</b>	<b>15,575,568</b>
<b>Net Assets</b>	<b>9,028,830</b>	<b>(638,669)</b>	<b>8,390,161</b>
<b>Equity</b>			
Retained earnings/(Accumulated losses)	(1,786,116)	(638,669)	(2,424,785)
Reserves	10,814,946	-	10,814,946
<b>Total Equity</b>	<b>9,028,830</b>	<b>(638,669)</b>	<b>8,390,161</b>

**FinnCare Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

**Note 2: Prior Period Error (Continued)**

**Statement of Financial Position**

There was no impact to the opening position to the comparative period (1 July 2021) as a result of this prior period error.

**Statement of cash flows**

The above disclosed prior period error did not impact the statement of cash flows.

**FinnCare Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

<b>Note 3: Revenue and Other Income</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue from contracts with customers:</b>		
- Resident & Client Fees	1,956,549	1,813,129
- Government Recurrent Grant Revenue	5,481,339	4,868,672
- Donations & Bequests	2,511	545
- Membership Fees	1,975	2,338
<b>Other income:</b>		
- Accommodation Income	493,770	514,411
- Interest Earned	180,638	12,156
- Sundry Income	15,979	131,275
<b>Total Revenue and Other Income</b>	<b>8,132,761</b>	<b>7,342,526</b>

**Note 4: Profit/(Loss) for the Year**

**Expenses**

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

*Employee Benefits Expense*

Defined contribution superannuation expense	476,965	486,032
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*Other expenses from ordinary activities*

Leasing costs expensed under the low value asset exemption	28,988	24,191
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**Note 4: Auditors Remuneration**

Remuneration of the auditor of the Association for:

- external audit services	22,150	22,500
- assistance with financial report preparation	3,500	3,500
	<b>25,650</b>	<b>26,000</b>



**FinnCare Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Note 5: Cash and cash equivalents</b>		
Cash on Hand	1,500	2,100
Cash at Bank	5,463,074	6,451,744
Cash at Bank – Capital Replacement Fund*	154,579	119,951
	<u><b>5,619,153</b></u>	<u><b>6,573,795</b></u>

**\*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	86,527	84,376
Interest Receivable	25,001	3,736
Debtor - Other	302,677	80,534
	<u><b>414,205</b></u>	<u><b>168,646</b></u>

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	5,660	5,913
	<u><b>5,660</b></u>	<u><b>5,913</b></u>

**Note 8: Other Assets**

**Current**

Prepayments	77,935	85,068
	<u><b>77,935</b></u>	<u><b>85,068</b></u>

**FinnCare Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

<b>Note 9: Property, Plant and Equipment</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Freehold land:		
- At independent valuation	4,811,715	4,250,000
	<b>4,811,715</b>	<b>4,250,000</b>
Buildings:		
- At independent valuation	9,600,000	9,600,000
- At cost	3,495,125	3,432,774
- Less: Accumulated depreciation	(1,696,840)	(1,306,486)
	<b>11,398,285</b>	<b>11,726,288</b>
Furniture & Fittings:		
- At Cost	1,306,583	1,261,521
- Less: Accumulated depreciation	(684,128)	(599,197)
	<b>622,455</b>	<b>662,324</b>
Office Equipment		
- At Cost	379,651	359,766
- Less: Accumulated depreciation	(275,785)	(221,990)
	<b>103,866</b>	<b>137,776</b>
Plant and equipment:		
- At Cost	1,150,048	1,126,340
- Less: Accumulated depreciation	(877,611)	(800,847)
	<b>272,437</b>	<b>325,493</b>
Motor vehicles:		
- At cost	204,348	204,348
- Less: Accumulated depreciation	(204,348)	(203,257)
	<b>-</b>	<b>1,091</b>
Work in Progress:		
- At cost	162,488	29,335
	<b>162,488</b>	<b>29,335</b>
<b>Total Property, Plant and Equipment*</b>	<b>17,371,246</b>	<b>17,132,307</b>

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

**FinnCare Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

**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
<b>Balance at 1 July 2022</b>	4,250,000	11,726,288	662,324	137,776	325,493	1,091	29,335	17,132,307
<b>Additions</b>	-	62,351	52,418	19,885	25,625		133,153	293,432
<b>Asset Revaluation</b>	561,715	-	-	-	-	-	-	561,715
<b>Depreciation Expense</b>	-	(390,354)	(91,953)	(53,795)	(78,681)	(1,091)	-	(615,874)
<b>Disposals</b>	-	-	(334)	-	-	-	-	(334)
<b>Transfers</b>	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2023</b>	<b>4,811,715</b>	<b>11,398,285</b>	<b>622,455</b>	<b>103,866</b>	<b>272,437</b>	<b>-</b>	<b>162,488</b>	<b>17,371,246</b>

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 2023 by Knight Frank. The valuation was based on an unencumbered freehold market value of the existing retirement village and aged care facility on a going concern basis. The valuation resulted in a revaluation increase of \$561,715 being recognised in the revaluation reserve for the year ended 30 June 2023.

<b>Note 10: Trade and Other Payables</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Unsecured		
- Trade creditors	104,426	151,863
- GST Payable / (refundable)	33,927	(51,994)
- Sundry Creditors	405,224	274,741
- Contract Liabilities – Unexpended Grants	875,843	898,603
	<b><u>1,419,420</u></b>	<b><u>1,273,213</u></b>

**FinnCare Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

<b>Note 11: Provisions</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Employee Entitlements	348,138	343,605
<b>Non-Current</b>		
Employee Entitlements	118,034	112,086
	<b>466,172</b>	<b>455,691</b>

*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	7,924,958	7,597,546
- ILU Occupants' Contributions	6,065,136	6,249,118
	<b>13,990,094</b>	<b>13,846,664</b>

**Note 13: Reserves**

Asset Revaluation Reserve:

Opening balance at beginning of financial year	10,814,946	10,814,946
Movement during the financial year	561,715	-
Closing Balance at end of financial year	<b>11,376,661</b>	<b>10,814,946</b>

*The asset revaluation reserve records revaluations of non-current assets. Please see note 9 for details of revaluation movements in the current financial year.*

**FinnCare Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

**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:

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>			
Cash and cash equivalents	5	5,619,153	6,573,795
Trade and other receivables	6	414,205	168,646
		<b>6,033,358</b>	<b>6,742,441</b>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost:			
- trade and other payables	10	1,419,420	1,273,213
- other liabilities	12	13,990,094	13,846,664
		<b>15,409,514</b>	<b>15,119,877</b>

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**

**Property, Plant & Equipment**

Freehold Land	4,811,715	4,250,000
Freehold Buildings	9,600,000	9,600,000
	<b>14,411,715</b>	<b>13,850,000</b>

For freehold land and buildings, the fair values are based on an external independent valuation performed in June 2023, which had used comparable market data for similar properties (for land) and income approach (for buildings).



**FinnCare Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

**Note 16: Contingent Liabilities and Contingent Assets**

**Statutory Charge**

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

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

**Note 17: Segment information**

Business segments

The Association is comprised of the following business segments:

<b>Segment</b>	<b>Activities</b>
Management	The provider of accommodation, care and services is the 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**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

<b>2023</b>	<b>Residential Aged Care</b>	<b>Home Support Services</b>	<b>Villas</b>	<b>Trading Operations</b>	<b>Management</b>	<b>Consolidated</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>INCOME</b>						
Resident Fees	1,241,965	516,996	197,589	-	-	<b>1,956,549</b>
Interest Earned	287	111	1,301	-	178,939	<b>180,638</b>
Government Subsidies	4,469,671	1,006,726	-	-	4,942	<b>5,481,339</b>
Accommodation Income	277,737	-	-	-	216,033	<b>493,770</b>
Donations	-	-	-	-	2,511	<b>2,511</b>
Membership Fees	-	-	-	-	1,975	<b>1,975</b>
Sundry Income	9,260	1,300	-	5,542	(123)	<b>15,979</b>
<b>Total Income</b>	<b>5,998,920</b>	<b>1,525,133</b>	<b>198,890</b>	<b>5,542</b>	<b>404,277</b>	<b>8,132,762</b>
<b>EXPENDITURE</b>						
Care Employee Expenses	4,064,698	823,558	52,458	-	-	<b>4,940,714</b>
Admin Employee Expenses	717,300	274,519	-	2,365	13,002	<b>1,007,186</b>
Depreciation and Amortisation	455,175	7,669	-	4,130	148,900	<b>615,874</b>
Catering Expenses	319,595	-	-	7,838	-	<b>327,433</b>
Repairs & Maintenance	194,151	2,960	195,211	4,264	2,764	<b>399,350</b>
Seminars & Training	17,403	10,724	209	418	1,771	<b>30,525</b>
Capital Gain Paid to Villa Residents on exit	-	-	-	-	-	<b>-</b>
Other Expenses	1,471,766	466,263	136,069	8,930	67,954	<b>2,150,982</b>
<b>Total Expenditure</b>	<b>7,240,088</b>	<b>1,585,693</b>	<b>383,947</b>	<b>27,945</b>	<b>234,391</b>	<b>9,472,064</b>
<b>RESULT FOR THE YEAR</b>	<b>(1,241,168)</b>	<b>(60,560)</b>	<b>(185,057)</b>	<b>(22,403)</b>	<b>169,886</b>	<b>(1,339,302)</b>

**FinnCare Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

2023	Residential Aged Care	Home Support Services	Villas	Trading Operations	Management	Consolidated
	\$	\$	\$	\$	\$	\$
<b>SEGMENT ASSETS</b>						
Cash	432,481	22,960	154,579	-	5,009,134	5,619,153
Trade Receivables	243,523	165,682	-	-	5,000	414,205
Inventories	-	-	-	5,660	-	5,660
Other Current Assets	62,349	15,587	-	-	-	77,936
<b>Total Current Assets</b>	<b>738,352</b>	<b>204,229</b>	<b>154,579</b>	<b>5,660</b>	<b>5,014,134</b>	<b>6,116,953</b>
Property, Plant & Equipment	769,043	199,752	-	29,963	16,372,488	17,371,246
Other Non Current Assets	-	-	-	-	61	61
<b>Total Non-Current Assets</b>	<b>769,043</b>	<b>199,752</b>	<b>-</b>	<b>29,963</b>	<b>16,372,549</b>	<b>17,371,307</b>
<b>TOTAL ASSETS</b>	<b>1,507,395</b>	<b>403,981</b>	<b>154,579</b>	<b>35,622</b>	<b>21,386,683</b>	<b>23,488,260</b>
<b>SEGMENT LIABILITIES</b>						
Trade Payables	434,861	984,559	-	-	-	1,419,420
Provisions for Leave	208,883	139,255	-	-	-	348,138
Accommodation Bonds / Deposits	7,924,958	-	-	-	-	7,924,958
Entry Contributions	-	-	-	-	6,065,136	6,065,136
<b>Total Current Liabilities</b>	<b>8,568,702</b>	<b>1,123,814</b>	<b>-</b>	<b>-</b>	<b>6,065,136</b>	<b>15,757,652</b>
Provisions for Leave	94,427	23,607	-	-	-	118,034
<b>Total Non-Current Liabilities</b>	<b>94,427</b>	<b>23,607</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118,034</b>
<b>TOTAL LIABILITIES</b>	<b>8,663,129</b>	<b>1,147,421</b>	<b>-</b>	<b>-</b>	<b>6,065,136</b>	<b>15,875,686</b>
<b>NET ASSETS</b>	<b>(7,155,734)</b>	<b>(743,440)</b>	<b>154,579</b>	<b>35,622</b>	<b>15,321,547</b>	<b>7,612,574</b>

**FinnCare Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

<b>2022</b>	<b>Residential Aged Care</b>	<b>Home Support Services</b>	<b>Villas</b>	<b>Trading Operations</b>	<b>Management</b>	<b>Consolidated</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>INCOME</b>						
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	689,631	-	-	-	4,868,672
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
<b>Total Income</b>	<b>5,701,959</b>	<b>1,154,490</b>	<b>154,449</b>	<b>119,104</b>	<b>212,524</b>	<b>7,342,526</b>
<b>EXPENDITURE</b>						
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
<b>Total Expenditure</b>	<b>6,614,826</b>	<b>1,946,434</b>	<b>155,425</b>	<b>140,278</b>	<b>252,378</b>	<b>9,109,342</b>
<b>RESULT FOR THE YEAR</b>	<b>(912,867)</b>	<b>(791,944)</b>	<b>(976)</b>	<b>(21,174)</b>	<b>(39,854)</b>	<b>(1,766,816)</b>

**FinnCare Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

2022	Residential Aged Care	Home Support Services	Villas	Trading Operations	Management	Consolidated
	\$	\$	\$	\$	\$	\$
<b>SEGMENT ASSETS</b>						
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
<b>Total Current Assets</b>	<b>4,189,618</b>	<b>222,751</b>	<b>119,951</b>	<b>6,513</b>	<b>2,294,589</b>	<b>6,833,422</b>
Property, Plant & Equipment	866,543	226,210	-	33,931	16,005,623	17,132,307
<b>Total Non-Current Assets</b>	<b>866,543</b>	<b>226,210</b>	<b>-</b>	<b>33,931</b>	<b>16,005,623</b>	<b>17,132,307</b>
<b>TOTAL ASSETS</b>	<b>5,056,162</b>	<b>448,961</b>	<b>119,951</b>	<b>40,444</b>	<b>18,300,211</b>	<b>23,965,729</b>
<b>SEGMENT LIABILITIES</b>						
Trade Payables	299,688	973,525	-	-	-	1,273,213
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
<b>Total Current Liabilities</b>	<b>8,103,397</b>	<b>1,110,967</b>	<b>-</b>	<b>-</b>	<b>6,249,118</b>	<b>15,463,482</b>
Provisions for Leave	89,669	22,417	-	-	-	112,086
<b>Total Non-Current Liabilities</b>	<b>89,669</b>	<b>22,417</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>112,086</b>
<b>TOTAL LIABILITIES</b>	<b>8,193,066</b>	<b>1,133,384</b>	<b>-</b>	<b>-</b>	<b>6,429,118</b>	<b>14,936,899</b>
<b>NET ASSETS</b>	<b>(3,136,904)</b>	<b>(684,423)</b>	<b>119,951</b>	<b>40,444</b>	<b>12,051,093</b>	<b>8,390,161</b>



**FinnCare Inc**  
**A.B.N. 26 587 653 803**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

**Note 18: Events After the Balance Sheet Date**

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

**Note 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 \$750,295 for the 2023 financial year (\$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.

**Note 21: Commitments**

The association did not have any commitments at 30 June 2023 (2022: \$nil).

**FinnCare Inc**  
**A.B.N. 26 587 653 803**

**Statement by Members of the Committee**

In the opinion of the Committee the financial report as set out on pages 2 to 28:

1. The attached financial statements and notes comply with the *Australian Accounting Standards – Simplified Disclosures*;
2. The attached financial statements and notes give a true and fair view of the financial position of FinnCare Inc as at 30 June 2023 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:

*Katriina Denisenko*

---

Katriina Denisenko - President

Dated this 28th day of September 2023.

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 60.40 OF THE AUSTRALIAN CHARITIES  
AND NOT-FOR-PROFITS COMMISSION ACT 2012  
TO THE COMMITTEE OF FINNCARE INC**

In accordance with the requirements of section 60-40 of the *Australian Charities and Not for Profits Commission Act 2012*, as lead auditor for the audit of Finncare Inc for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

**MGI Audit Pty Ltd**



**S C Greene**  
Director – Audit & Assurance

28 September 2023

Brisbane

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

### Auditor's Opinion

We have audited the accompanying financial report for Finncare Inc ('the Association'), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the statement by members of the Committee.

In our opinion, the accompanying financial report of Finncare Inc is in accordance with the *Aged Care Act 1997*, *Australian Charities and Not for Profit Act 2012* and *Retirement Villages Act 1999*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2023 and of its performance for the year then ended on that date; and
- (b) complying with Australian Accounting Standards – Simplified Disclosure Requirements and the *Australian Charities and Not for Profit Regulation 2022*.

### 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 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.

### Other Information

The Committee of the Association are responsible for the other information. The other information comprises the information contained in the Association's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of the Committee of the Association for the Financial Report**

The Committee are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and for such internal control as the Committee determines is necessary to enable the preparation of a 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 are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating 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 have no realistic alternative but to do so.

### **Inherent Uncertainty Regarding Continuation as a Going Concern**

We draw attention to Note 1(r) in the financial report, which indicates that as of 30 June 2023 the Association's current liabilities exceeded its current assets by \$9,590,699. This condition, along with other matters as set forth in Note 1(r) indicate the existence of a material uncertainty that may cast significant doubt about the Association's ability to continue as a going concern. Therefore, the Association may be unable to realise its assets and discharge its liabilities in the normal course of business.

### **Auditor's Responsibilities for the Audit of the Financial Report**

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 judgment 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.



**Auditor's Responsibilities for the Audit of the Financial Report (Continued)**

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.

**MGI Audit Pty Ltd**

A handwritten signature in black ink, appearing to read 'S C Greene', with a stylized flourish underneath.

**S C Greene**  
Director – Audit & Assurance

Brisbane

28 September 2023

**FINNCARE INC**  
**RETIREMENT VILLAGE FINANCIAL STATEMENTS**  
**CONSISTING OF:**  
**CAPITAL REPLACEMENT FUND**  
**GENERAL SERVICES FUND**  
**MAINTENANCE RESERVE FUND**  
  
**FOR THE YEAR ENDED 30 JUNE 2023**



**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 2023 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 2023 the Capital Replacement Fund with a balance of \$154,579 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    September 2023:

*Katriina Denisenko*

.....  
Name: Katriina Denisenko (nee Tahka) President

Date: 28 September 2023

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 2023

	Notes	2023	2022
		\$	\$
<b>INCOME</b>			
Interest received		1,281	24
Contribution to the fund		201,214	98,960
<b>Total revenue</b>		<b>202,495</b>	<b>98,984</b>
<b>EXPENDITURE</b>			
Capital replacements		167,866	98,960
<b>Total Expenditure</b>		<b>167,866</b>	<b>98,960</b>
<b>Profit/(Loss) before income tax</b>		<b>34,629</b>	<b>24</b>
<b>Income tax expense</b>		<b>-</b>	<b>-</b>
<b>Profit/(Loss) from operations</b>		<b>34,629</b>	<b>24</b>

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 2023

	Notes	2023 \$	2022 \$
<b>CURRENT ASSETS</b>			
Cash at bank		154,579	119,950
Sundry debtors		-	-
<b>Total Current Assets</b>		<b>154,579</b>	<b>119,950</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		-	-
<b>Total Non-Current Assets</b>		<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>154,579</b>	<b>119,950</b>
<b>CURRENT LIABILITIES</b>			
Loan from FinnCare		101,806	101,806
<b>Total Current Liabilities</b>		<b>101,806</b>	<b>101,806</b>
<b>NON-CURRENT LIABILITIES</b>			
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>101,806</b>	<b>101,806</b>
<b>NET ASSETS</b>		<b>52,773</b>	<b>18,144</b>
<b>EQUITY</b>			
Retained earnings		52,773	18,144
<b>TOTAL EQUITY</b>		<b>52,773</b>	<b>18,144</b>

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 2023**

	Retained Surplus	Total
	\$	\$
Balance at 1 July 2021	18,120	18,120
Profit/(Loss) for the year	24	24
<b>Balance at 30 June 2022</b>	<b>18,144</b>	<b>18,144</b>
Profit/(Loss) for the year	34,629	34,629
<b>Balance at 30 June 2023</b>	<b>52,773</b>	<b>52,773</b>

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 2023**

**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*.

Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board have been applied only to the extent described in these accounting policies. 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.

**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 2023 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 2023 the General Services Fund with a balance of \$158 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     September 2023:

*Katriina Denisenko*

.....  
Name:     Katriina Denisenko (nee Tahka) President

Date:   28 September 2023

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 2023**

	Notes	2023	2022
		\$	\$
<b>INCOME</b>			
Resident fees		150,971	149,757
Interest received		19	7
Transfer to the GSF fund – FinnCare Inc		11,501	-
<b>Total revenue</b>		<u><b>162,491</b></u>	<u><b>149,760</b></u>
<b>EXPENDITURE</b>			
Accounting & Audit Remuneration Fees		682	3,463
Computer Software & IT Expenditure		7,363	9,156
Insurance		14,983	13,604
Telephone & Emergency Call		9,211	7,632
Utilities - Rates, Electricity & Gas		73,830	68,853
Repairs & Maintenance		22,228	15,913
Wages, Superannuation & Employment Costs		52,668	35,801
<b>Total Expenditure</b>		<u><b>180,965</b></u>	<u><b>154,422</b></u>
<b>Profit/(Loss)</b>		<b>(18,474)</b>	<b>(4,662)</b>
GSF deficit from previous years recovered		-	-
<b>Profit/(Loss) from Operations</b>		<u><b>(18,474)</b></u>	<u><b>(4,662)</b></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

**STATEMENT OF ASSETS AND LIABILITIES  
AS AT 30 JUNE 2023**

	Notes	2023 \$	2022 \$
<b>CURRENT ASSETS</b>			
Cash at bank		158	10,824
Sundry debtors		-	-
<b>Total Current Assets</b>		<u>158</u>	<u>10,824</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		-	-
<b>Total Non-Current Assets</b>		<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>		<u>158</u>	<u>10,824</u>
<b>CURRENT LIABILITIES</b>			
Amounts owing to FinnCare Inc		7,808	-
<b>Total Current Liabilities</b>		<u>7,808</u>	<u>-</u>
<b>NON-CURRENT LIABILITIES</b>			
<b>Total Non-Current Liabilities</b>		<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>7,808</u>	<u>-</u>
<b>NET ASSETS</b>		<u>(7,650)</u>	<u>10,824</u>
<b>EQUITY</b>			
Retained earnings		(7,650)	10,824
<b>TOTAL EQUITY</b>		<u>(7,650)</u>	<u>10,824</u>



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 2023**

	Retained Surplus	Total
	\$	\$
Balance at 1 July 2021	15,486	15,486
Profit/(Loss) for the year	(4,662)	(4,662)
Balance at 30 June 2022	<u>10,824</u>	<u>10,824</u>
Profit/(Loss) for the year	(18,474)	(18,474)
Balance at 30 June 2023	<u>(7,650)</u>	<u>(7,650)</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 2023**

**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*.

Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board have been applied only to the extent described in these accounting policies. 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.

**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 2023 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 2023 the Maintenance Reserve Fund with a balance of \$41,295 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      September 2023:

*Katriina Denisenko*

.....  
Name: Katriina Denisenko (nee Tahka) President

Date: 28 September 2023

**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 2023**

	Notes	2023	2022
		\$	\$
<b>INCOME</b>			
Resident contributions		36,353	29,859
Interest received		-	-
<b><i>Total revenue</i></b>		<b><u>36,353</u></b>	<b><u>29,626</u></b>
<b>EXPENDITURE</b>			
Accounting & Audit Fees		-	-
Bank charges		-	-
Fees & registrations		-	-
Repairs & Maintenance		35,117	28,331
<b><i>Total Expenditure</i></b>		<b><u>35,117</u></b>	<b><u>28,331</u></b>
<b><i>Profit/(Loss)</i></b>		<b><u>1,236</u></b>	<b><u>1,528</u></b>

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 2023**

	Notes	2023 \$	2022 \$
<b>CURRENT ASSETS</b>			
Cash at bank		41,295	40,059
Sundry debtors		-	-
<b>Total Current Assets</b>		<u>41,295</u>	<u>40,059</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		-	-
<b>Total Non-Current Assets</b>		<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>		<u>41,295</u>	<u>40,059</u>
<b>CURRENT LIABILITIES</b>			
<b>Total Current Liabilities</b>		<u>-</u>	<u>-</u>
<b>NON-CURRENT LIABILITIES</b>			
<b>Total Non-Current Liabilities</b>		<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>-</u>	<u>-</u>
<b>NET ASSETS</b>		<u>41,295</u>	<u>40,059</u>
<b>EQUITY</b>			
Retained earnings		41,295	40,059
<b>TOTAL EQUITY</b>		<u>41,295</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

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2023

	Retained Surplus	Total
	\$	\$
Balance at 1 July 2021	38,531	38,531
Profit/(Loss) for the year	1,528	1,528
Balance at 30 June 2022	<u>40,059</u>	<u>40,059</u>
Profit/(Loss) for the year	1,236	1,236
Balance at 30 June 2023	<u>41,295</u>	<u>41,295</u>

The accompanying notes form part of these financial statements  
4

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 2023**

**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*.

Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board have been applied only to the extent described in these accounting policies. 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 RESIDENTS AND THE SCHEME OPERATOR OF  
FINNCARE INC RETIREMENT VILLAGE**

**Report on the Audit of the Financial Report**

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**Auditor's Opinion**

We have audited the financial report of Finncare Inc Retirement Village (the "Scheme"), which comprises special purpose finance reports for the Maintenance Reserve Fund (MRF), Capital Replacement Fund (CRF) and General Services Fund (GSF), all consisting of the statement of financial position as at 30 June 2023, the statement of income and expenditure for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Statement by the Committee made by Finncare Inc.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Scheme (incorporating the MRF, CRF and GSF) as at 30 June 2023 and of its financial performance for the year then ended in accordance with the basis of accounting described in Note 1 of each financial report.

**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 Scheme Operator in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 to assist the Scheme to meet the requirements of the *Retirement Villages Act 1999*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

**Responsibilities of management of the Scheme Operator for the Financial Report**

Management are responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the *Retirement Villages Act 1999*, and for such internal control as management 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, management are responsible for assessing the Scheme'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 management either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

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 judgment 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 Scheme Operator's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 Scheme Operator'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 Scheme Operator 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 management 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.

**MGI Audit Pty Ltd**



**S C Greene**  
Director

Brisbane

28 September 2023

# CONTACT / YHTEYSTIEDOT



AGED CARE - HOME SUPPORT SERVICES - RETIREMENT LIVING

FinnCare Inc    **ABN:** 26 587 653 807

**Osoite / Address:** 343 Cleveland-Redland Bay Road, Thornlands, QLD 4164

**Toimisto / Office:** [info@finncare.org.au](mailto:info@finncare.org.au)

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

**Visiomme** on yhteisö, jossa voimme arvostaa kulttuuriamme huolehtimalla muista.

**Missiomme** on jatkaa ainutlaatuisen suomalaisen kulttuurimme yhdistämistä maailman parhaisiin hoitoratkaisuihin tuottaaksemme hyötyä paikalliselle yhteisölle ja kulttuurille.

**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 culture with world leading care solutions for the benefit of all generations in our local and cultural communities.