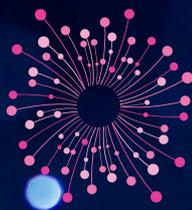


finleyregionalcare
better tomorrow



ANNUAL REPORT

2022 - 2023

THIRTY SIXTH ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Sixth Annual General Meeting of Members will be held at 26 Dawe Avenue, Finley On 15th November 2023.

BUSINESS

1. To confirm the Minutes of the Annual General Meeting of Finley Regional Care Ltd held on 15th October 2023
2. To receive and consider the reports of the Board
3. To receive and consider the Balance Sheet, Trading and Profit and Loss Account and Report of the Auditors
4. To declare the board for the ensuing year
5. To deal with any business of which due notice has been given

Ben Levesque

Chief Executive Officer

Finley Regional Care Ltd

ABN 55 003 153 240

Incorporated in New South Wales on 13th August, 1986





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OUR VISION STATEMENT

Continually Striving in Excellence in
Caring for our Community

OUR MISSION STATEMENT

Finley Regional Care is a Community Managed
Not-for-Profit organisation.

We pride ourselves on our unique range of services.

We embrace a high standard of quality care that is person centered, progressive and comprehensive through the lives of the individual, family, and community.

QUALITY CARE WITH COUNTRY FLAIR

CULTURE STATEMENT

RESIDENT EXPERIENCE IS OUR FOCUS WE WILL

Respond to our Residents and Families

Listen to our Residents and Families

Respect our Residents and Families

Work with our Residents and Families

Inform and reassure our Residents and Families

Involve our Residents and Families

Teamwork, Positive, Acceptance, Dedication, Respect

PRESIDENTS ANNUAL REPORT

It is with great pleasure I present you the Presidents Annual Report on behalf of Finley Regional Care's Board of Management for the year 2022 - 2023.

This past financial year has gone by quickly and we have been busier than ever. With the past year being particularly difficult with staff shortages not only for Finley Regional Care but nation wide, Myself and the board of management would sincerely like to give a big heart felt thank you to all our amazing staff! Their hard work and dedication through this difficult period has been nothing short of amazing, and their continued efforts of going above and beyond for our wonderful residents is a testament to the level of genuine love and care for our wonderful residents and facility. I would also like to commend Ben and the Executive team for their leadership during this past year.

We welcomed Ruth Hayne to the Quality, Compliance, Training and Development role. Ruth has an outstanding level of experience,

and has already become a very valuable part of the FRC family. We also welcomed our new Clinical Coordinator, Sumina Bhusal. Sumina has an extensive RN background and Clinical experience. Lisa Clark is also a new member of the FRC family. Lisa has the combined role of administration and Finance.

This past year we have also welcomed many new staff across the facility, including 5 new members from Kiribati. We welcome our new staff to the FRC family, and hope they enjoy their time with us.

This past year we also said goodbye to long time staff member Lorraine Whittaker who has been with Finley Regional Care for almost 22 years! We thank Lorraine for her long standing dedication to Finley Regional Care and we wish her all the best for her retirement. We sadly said goodbye to longstanding volunteer Wendy Fraizer. Wendy ran the weekly church group here at FRC and was a valuable part of our volunteer group, our thoughts are with her family.



A big thank you and congratulations to our staff at the Medical Centre. They have had the big task of moving into the new facility, which they did so with a lot of hard work. Residents of our facility and wider community have enjoyed this state of the art medical clinic and the regular specialists that practice there. Alumna has continued to grow, with all blocks now sold and occupied.

Our Solar Panel system has continued to expand, with constant expansion to get FRC off the grid. We opened the Residents Cinema, with four movie sessions being shown each week, and continued technical upgrades within the facility is enabling us to continue to provide a high level of care and put Residents care first.

Our Home Care team have had another successful year, with new staff coming onboard and new residents joining the program. Helen Lewis has done a wonderful job of leading the team through another great year.

A special thank you to our amazing Auxiliary members. Our Auxiliary continue to work hard with their fundraising efforts that directly

benefit our Residents. As always we are very grateful to our local businesses who contribute and donate to FRC. Without the support from our Auxiliary and local businesses, we truly as an organisation would be less better off.

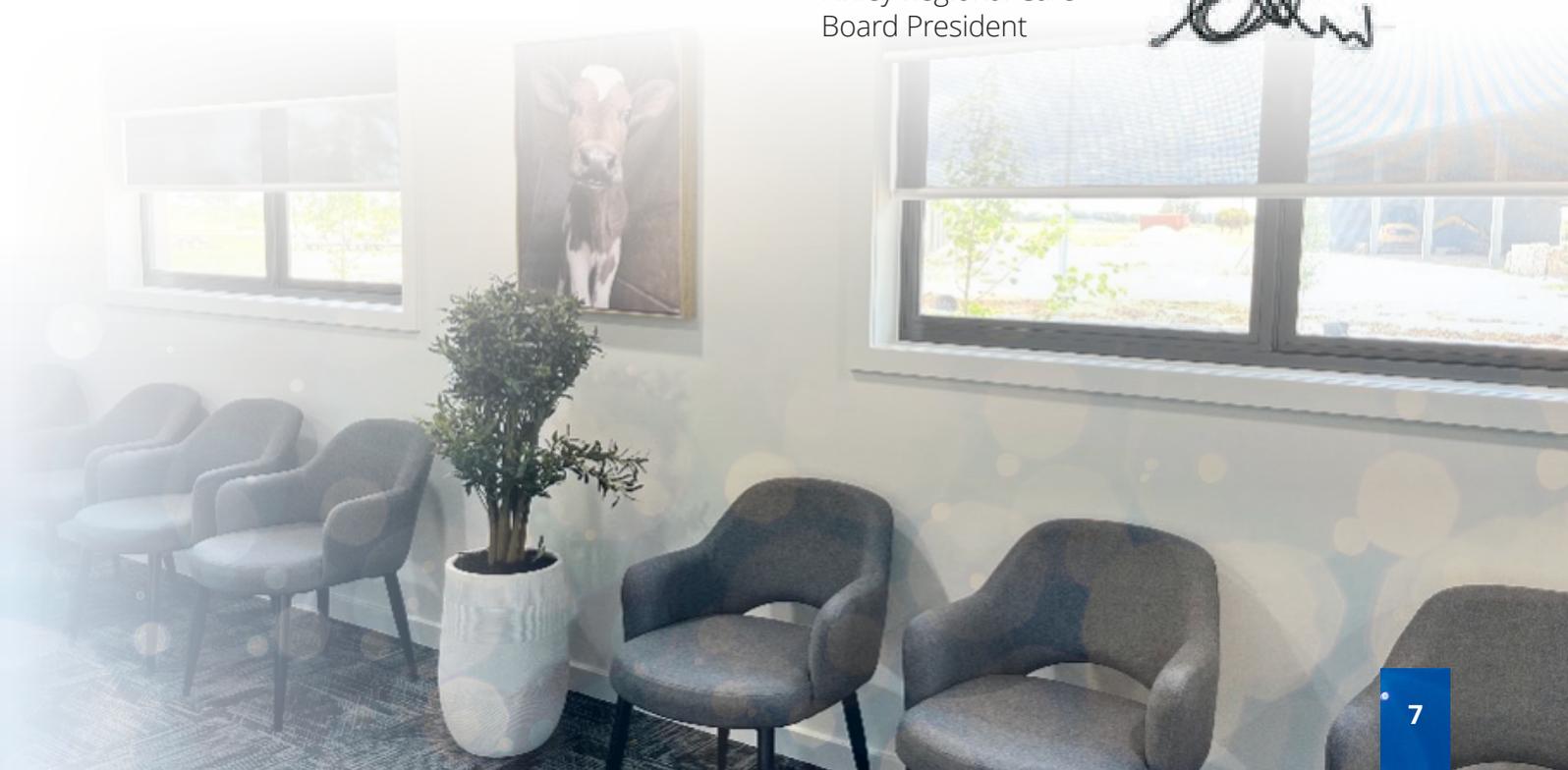
Our appreciation extended to all our wonderful volunteers, our activities program could not run the way it does, without their support. Our Residents truly benefit from the special bond and successful programs thanks to our volunteers.

In closing, I would like to thank my fellow Board Members for their ongoing dedication, commitment and support during the year. The effort that comes from every member to ensure Finley Regional Care's ongoing success is outstanding. I look forward to another successful and productive year ahead.

As always Finley Regional Care will continue to provide the very best care and services to our Residents and community.

Eric Dean

Finley Regional Care
Board President



CEO ANNUAL REPORT

Celebrating Our Dedicated Staff, Embracing New Beginnings, and Expanding Services

Dear Finley Regional Care Staff, Families, and Community Members.

As we welcome the vibrant colors and renewed energy of spring at Finley Regional Care (FRC), we are delighted to present our CEO Annual Report. This report encapsulates our journey, achievements, and our commitment to providing exceptional care and services to our beloved community.

Acknowledging Our Dedicated Staff

We extend our heartfelt appreciation to all our staff members for their unwavering dedication and hard work during these challenging times. Your commitment to providing exceptional care to our residents is truly commendable, and we are incredibly grateful for your tireless efforts.

New Employees and Positive Developments

We are thrilled to announce that FRC has garnered significant interest from new employees seeking to join our team. This influx of interest is a testament to the reputation of our facility and the exceptional care we provide.

We warmly welcome all the new staff members and are confident that their expertise and enthusiasm will further strengthen our community.

Promoting Health and Well-being:

As we step into spring, we emphasize the importance of safeguarding the health and well-being of both our staff and residents.

Expanding Our Support: Accommodating New Staff

As we continue to grow and embrace new opportunities, we are actively exploring additional options to accommodate our expanding team.

It is our priority to provide a comfortable and conducive work environment for all our staff members. By exploring innovative solutions, we aim to enhance the working experience at FRC and create an atmosphere that fosters professional growth and job satisfaction.

Welcoming Caregivers from Kiribati

We are pleased to announce that caregivers from Kiribati have arrived and are actively contributing to our community in Finley since September. Their dedication and unique perspectives have already enriched our facility.

We are excited to share that more caregivers will be joining us in the coming months through the Growworx scheme. This initiative further strengthens our commitment to providing exceptional care to our residents.

Celebrating “The Most Outstanding Regional Community Care Provider” Award

We are proud to announce that Finley Regional Care has been nominated and awarded “The Most Outstanding Regional Community Care Provider” in the prestigious Enablement Awards 2023. This recognition is a testament to our unwavering commitment to delivering quality care with a touch of country flair. We extend heartfelt thanks to each member of our community, from our dedicated team to our valued clients and families, for their continued support and trust in our services.

Expansion of Services: New Medical Centre

On January 5th, 2023, we proudly opened our new Medical Centre in Finley. This significant milestone marks a new chapter in our commitment to providing comprehensive healthcare services to our community.

Thanks to Our Teams at Berrigan and Finley Medical Centres

We extend our heartfelt thanks to the dedicated teams at the Berrigan and Finley Medical Centres for their unwavering commitment to providing quality healthcare services to our community.

Recognizing Our Residents in the Alumuna Village

We want to express our gratitude to all the residents in the Alumuna Village, both new and existing, for being an integral part of our community. Your presence enriches our vibrant and supportive environment.

Introduction of Our Innovative Culture Book

In addition to our achievements, we are excited to introduce our innovative Culture Book, launched this year. This book embodies "How We Enjoy Life at FRC" and highlights our vision, values, and standards, forming the foundation of our Culture and own unique flair. In it, you will discover everything you need to enjoy your time with us as we strive for excellence in caring for our community with Quality Care and Country Flair.

Welcome to Our New Clinical Coordinator, Sumina Bhusal

We are excited to welcome Sumina Bhusal as our new Clinical Coordinator. Sumina's expertise and dedication will further enhance our ability to deliver the highest standard of care to our residents.

Conclusion

As we step into spring together, let us remember that our collective efforts and unwavering commitment to compassionate care make Finley Regional Care an exceptional organisation providing care and services throughout our community. We look forward to continuing our journey together and embracing new opportunities for growth and success.

Sincerely,

Ben Levesque

CEO, Finley Regional Care

AUXILIARY PRESIDENT'S ANNUAL REPORT 2022 - 2023

As President of Finley Regional Care Auxiliary, this is my report for the last 12 months.

In November 2022 the auxiliary were able to purchase four electric lift chairs for the residents to use, the cost totaling \$10,000. With the assistance from Leisure and Lifestyle staff, we were able to provide gifts to the residents for Easter, Mother's Day, Father's Day and Christmas.

Fundraising this year has been street stalls and raffles of donated goods. The open garden fundraiser did not occur this year, due to lack of participating gardens. However, staff member Ruth Hayne and co-workers have organized a Spring Fair with help from the Auxiliary.

The Auxiliary were given a demonstration of Neuons VR program, and we have decided to contribute to the cost being \$12,500 plus GST. \$10,000 being provided by us at the moment.

A special thank you to all Auxiliary members for their ongoing support and assistance.

Thank you

Susan Hand

President – Finley Regional Care Auxiliary

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

DIRECTOR'S REPORT

Your directors present their report on the company for the financial year ended 30 June 2023 .

Directors

The names of the directors in office at anytime during or since the end of the year are:

EC Dean
NJR Wilson
GJ McNamara
A Harding
J McLeod
MA Luelf
SF McNaught

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

Review of Operations

The loss of the company for the financial year after providing for income tax amounted to \$711,266.

A review of the operations of the company during the financial year and the results of those operations are as follows:

Over the past twelve months, the loss from residential services totalled \$1,046,226, the profit from the HACCS totalled \$165,709, the profit from the Finley Medical Centre totalled \$140,585, the loss from Alumuna totalled \$77,369, and the profit from the Berrigan Medical Centre totalled \$106,036.

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year .

Principal Activities

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

- The provision of nursing home facilities and associated aged care services. The company operates a Medical centre that provides services to the wider community. The company also provides Independent Living Units.

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

Events Subsequent to the End of the Reporting Period

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly alter the operations of the company, the results of those operations or the state of affairs of the company, in future years.

DIRECTOR'S REPORT

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of the State.

Dividends

The company is a not-for-profit public company limited by guarantee. The constitution of the company prohibits the distribution of its income and property to its members.

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification of Officers

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

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

The company was not a party to any such proceedings during the year.

DIRECTOR'S REPORT

Information on directors

| | |
|------------------------------|--|
| DEAN, Eric Charles | 7 Burke Street, Finley. Manager. President 17 Years. Director 18 years. |
| WILSON, Norman John Randolph | Plumpton Road, Finley. Manager. Vice President. Director 19 years. |
| McNAMARA, Gregory John | 32 Tuppal Street, Finley. Manager. Honorary Treasurer. Director 13 years. |
| HARDING, Andrew Edward | "Kimberley" RMB 1270 Caseys Road, Tocumwal. Director 7 years. |
| MCLEOD, Jennifer | 321 Closes Road, Finley. Company Director. Director 6 years. |
| LUELF, Margaret Alison | 1 Tocumwal Street, Finley. Registered Nurse and TAFE Educator. Director 5 years. |
| MCNAUGHT, Sarah | 63 Coree St, Finley. Lawyer Director 2 year. |

Meetings of directors

During the financial year, 11 meetings of directors were held. Attendances were:

| | Number Eligible to attend | Number Attended |
|-------------|------------------------------|--------------------|
| EC Dean | 11 | 11 |
| NJR Wilson | 11 | 11 |
| GJ McNamara | 11 | 10 |
| AE Harding | 11 | 6 |
| J McLeod | 11 | 7 |
| MA Luelf | 11 | 9 |
| S McNaught | 11 | 10 |

Signed in accordance with a resolution of the board of directors:



EC Dean (President)



NJR Wilson (Vice President)

Dated: 30/10/2023

18 **SW** 97
**GOULBURN MURRAY
AUDIT SERVICES**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER
SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
FINLEY REGIONAL CARE LTD**

ABN 55 003 153 240

FOR THE YEAR ENDED 30 JUNE 2023

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been:

- i. No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. No contraventions of any applicable code of professional conduct in relation to the audit.



Adam Purtil RCA 419507

Date: 31 October 2023

160 Welsford Street Shepparton, VIC 3630

Shepparton
Finley
Deniliquin

160 Welsford Street, Shepparton VIC 3630
P.O Box 5, Shepparton VIC 3632

T (03) 5821 4622
F (03) 5821 1598

ABN 87 650 289 286



INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2023

| | Note | 2023 \$ | 2022 \$ |
|---|------|-------------------------|-------------------------|
| Revenue and other income | 2 | 11,585,529 | 12,976,039 |
| Amortisation expense | | (7,894) | (15,826) |
| Depreciation expense | 3 | (640,931) | (502,686) |
| Employee benefits expense | 3 | (5,875,499) | (6,095,808) |
| Other expenses | 3 | <u>(5,772,471)</u> | <u>(4,094,240)</u> |
| Profit/(loss) before income tax expense | | (711,266) | 2,267,480 |
| Income tax expense | 1(b) | <u>-</u> | <u>-</u> |
| Profit/(loss) for the year | | <u><u>(711,266)</u></u> | <u><u>2,267,480</u></u> |
| Profit/(loss) attributable to member of the company | | <u><u>(711,266)</u></u> | <u><u>2,267,480</u></u> |

The accompanying notes form part of these financial statements.

These statements should be read in conjunction with attached compilation report.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

| | Note | 2023 \$ | 2022 \$ |
|--|------|------------------------------|------------------------------|
| Profit/(loss) for the year | | (711,266) | 2,267,480 |
| Other comprehensive income: | | <u> </u> | <u> </u> |
| Other comprehensive income for the year, net of tax | | <u> -</u> | <u> -</u> |
| Total comprehensive income/(expense) for the year | | <u><u>(711,266)</u></u> | <u><u>2,267,480</u></u> |
| Total comprehensive income/(expense) attributable to member of the company | | <u><u>(711,266)</u></u> | <u><u>2,267,480</u></u> |

The accompanying notes form part of these financial statements.

These statements should be read in conjunction with attached compilation report.

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2023

| | Note | 2023 \$ | 2022 \$ |
|--------------------------------------|------|-------------------|-------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 5 | 4,412,660 | 5,587,349 |
| Trade and other receivables | 6 | 102,651 | 156,135 |
| Other current assets | 7 | 31,286 | 22,831 |
| TOTAL CURRENT ASSETS | | 4,546,598 | 5,766,315 |
| NON-CURRENT ASSETS | | | |
| Trade and other receivables | 6 | - | 4,084 |
| Property, plant and equipment | 8 | 17,483,296 | 14,840,034 |
| Investment property | 9 | 523,692 | 233,135 |
| Intangibles | 10 | 60,517 | 68,411 |
| TOTAL NON-CURRENT ASSETS | | 18,067,505 | 15,145,664 |
| TOTAL ASSETS | | 22,614,102 | 20,911,980 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 11 | 254,264 | 261,583 |
| Provisions | 12 | 1,028,980 | 1,029,115 |
| Monies held in trust | 13 | 9,908,692 | 7,365,312 |
| Other | 14 | 154,232 | 276,851 |
| TOTAL CURRENT LIABILITIES | | 11,346,167 | 8,932,861 |
| NON-CURRENT LIABILITIES | | | |
| Provisions | 12 | 24,362 | 20,196 |
| Borrowings | 15 | - | 4,084 |
| TOTAL NON-CURRENT LIABILITIES | | 24,362 | 24,280 |
| TOTAL LIABILITIES | | 11,370,529 | 8,957,141 |
| NET ASSETS | | 11,243,573 | 11,954,839 |
| EQUITY | | | |
| Retained earnings | | 11,243,573 | 11,954,839 |
| TOTAL EQUITY | | 11,243,573 | 11,954,839 |

The accompanying notes form part of these financial statements.

These statements should be read in conjunction with attached compilation report.

STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2023

| | Retained Earnings \$ | Total \$ |
|--|-------------------------|-------------------|
| Balance at 1 July 2021 | 9,687,359 | 9,687,359 |
| Comprehensive income | | |
| Profit/(loss) attributable to the member of the company | 2,267,480 | 2,267,480 |
| Total comprehensive income/(expense) for the year attributable to the member of the company | <u>2,267,480</u> | <u>2,267,480</u> |
| Balance at 30 June 2022 | <u>11,954,839</u> | <u>11,954,839</u> |
| Balance at 1 July 2022 | 11,954,839 | 11,954,839 |
| Comprehensive income | | |
| Profit/(loss) attributable to the member of the company | (711,266) | (711,266) |
| Total comprehensive income/(expense) for the year attributable to the member of the company | <u>(711,266)</u> | <u>(711,266)</u> |
| Balance at 30 June 2023 | <u>11,243,573</u> | <u>11,243,573</u> |

The accompanying notes form part of these financial statements.

These statements should be read in conjunction with attached compilation report.

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 30 JUNE 2023

| | Note | 2023 \$ | 2022 \$ |
|--|--------------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Receipts from customers | | 11,583,445 | 13,061,742 |
| Payments to Suppliers and Employees | | (11,767,375) | (10,770,205) |
| Interest received | | 34,622 | 17,950 |
| Net cash provided by operating activities | 25(b) | <u>(149,308)</u> | <u>2,309,487</u> |
| Cash flows from investing activities | | | |
| Payments for property, plant & equipment | | (3,578,748) | (4,040,087) |
| Receipts for property, plant & equipment | | 9,988 | 55,864 |
| Net cash provided by (used in) investing activities | | <u>(3,568,760)</u> | <u>(3,984,223)</u> |
| Cash flows from financing activities | | | |
| Accommodation bonds received | | 4,734,565 | 5,016,038 |
| Accommodation bonds refunded | | (2,191,186) | (3,091,620) |
| Net cash provided by financing activities | | <u>2,543,380</u> | <u>1,924,418</u> |
| Net increase (decrease) in cash held | | (1,174,688) | 249,862 |
| Cash and cash equivalents at beginning of financial year | | <u>5,587,349</u> | <u>5,337,487</u> |
| Cash and cash equivalents at end of financial year | 25(a) | <u><u>4,412,660</u></u> | <u><u>5,587,349</u></u> |

The accompanying notes form part of these financial statements.

These statements should be read in conjunction with attached compilation report.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified disclosures of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012. Finley Regional Care Ltd, is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of 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 accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Revenue

Revenue recognition

Contributed Assets

Finley Regional Care Ltd, 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 the applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset, Finley Regional Care Ltd, recognises related amounts being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer.

Finley Regional Care Ltd, recognises income immediately in profit or loss as the difference between initial carrying amount of the asset and the related amounts.

Resident Fees & Contributions, Operating Grants, Donations and Bequests

When Finley Regional Care Ltd, receives resident fees and contributions, operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15,

When both these conditions are satisfied, Finley Regional Care Ltd.:

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

Where the contract is not enforceable or does not have sufficiently specific performance obligations, Finley Regional Care Ltd.:

- recognises the asset received in accordance with the recognition requirements of the applicable accounting standards (for example 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); and
- 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, Finley Regional Care Ltd, recognises income in profit or loss when or as it satisfies its obligations under the contract.

Capital Grant

When Finley Regional Care Ltd, receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

Finley Regional Care Ltd, recognises income in profit or loss when or as Finley Regional Care Ltd, satisfies its obligations under terms of the grant.

Interest Income

Interest income is recognised using the effective interest method.

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

(b) Income Tax

Finley Regional Care Ltd, Aged Care Inc, is exempt from income tax under Section 50-45 of the Income Tax Assessment Act 1997, Finley Regional Care Ltd, is endorsed as a Deductible Gift Recipient.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within payables in current liabilities in the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

(d) Trade and Other Debtors

Trade and other debtors include amounts due from customers for services provided. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(m) for further discussion on the determination of impairment losses.

(e) Property, Plant and Equipment

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

Freehold property

Freehold land and buildings are shown at their cost, less subsequent depreciation for buildings.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

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 and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(m) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

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

Items of property, plant and equipment with a cost in excess of \$1,000 are depreciated over their useful life to Finley Regional Care Ltd. commencing from the date of acquisition.

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

| <u>Class of Asset</u> | <u>Depreciation Rate</u> |
|-----------------------|--------------------------|
| Buildings | 0% to 2.5% |
| Furniture & Fittings | 7.5% to 50% |
| Plant & Equipment | 7.5% to 50% |

The asset's residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. An asset's carrying amount is the written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation relating to the assets are transferred to retaining earnings.

Investment Property

Investment property which is property held to earn rentals and/or for capital appreciation, is measured at its fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

(f) Leases

Finley Regional Care Ltd. as lessee

At inception of a contract, Finley Regional Care Ltd. 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 Finley Regional Care Ltd. where Finley Regional Care Ltd. is a lessee. However all contracts that are classified as short-term leases (leases with 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.

(g) Resident Accommodation Bonds, Contributions, and Deposits

On admission to the facility, residents pay an Accommodation Bond, Accommodation Deposit or Accommodation Contribution. Finley Regional Care Ltd. is entitled to retain part of each accommodation bond from pre 1 July 2014 depending on how long the resident remains in the Residential Care Facility. The current maximum amount that can be retained is \$4,428 per annum over a five year period, calculated on a monthly basis. From 1 July 2014 for all new admissions, the Residential Care Facility is no longer entitled to retain part of each Accommodation Deposit or Contribution.

The amount of \$9,908,692 is classified as a current liability in the statement of financial position, as it is defined by accounting standards as a current liability. However it is anticipated that only a small portion of the total balance will actually fall due during the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

(h) Resident Loans Independent Living Units

On admission to an Independent Living Unit, some residents pay a loan. For those residents that entered after June 1997, and who paid a loan, Finley Regional Care Ltd. is entitled to retain part of the loan. The maximum amount as at 30 June 2022 that can be retained annually is 5.00% of the entry contribution in the first year. Finley Regional Care Ltd. is entitled to draw down the retention for a maximum of 25.00% spread over a 7 year period.

The amount of \$3,677,678 is classified as a current liability in the statement of financial position, as it is defined by accounting standards as a current liability. However it is anticipated that only a small portion of the total balance will actually fall due during the next 12 months.

(i) Employee Benefits

Short-term employee benefits

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

Finley Regional Care Ltd.'s obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

Contributions are made by Finley Regional Care Ltd. to an employee superannuation fund and are charged as expenses when incurred.

Other long-term employee benefits

Finley Regional Care Ltd. classifies employees' long service leave and annual leave entitlements as other long-term employee benefits where as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for Finley Regional Care Ltd.'s obligation for other long-term employee benefits, which are measured at the present value of the 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. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

Finley Regional Care Ltd.'s obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where Finley Regional Care Ltd. 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 liabilities.

(j) Provisions

Provisions are recognised when Finley Regional Care Ltd. has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 included in receipts from customers or payments to suppliers.

(l) Financial Instruments

Initial recognition and measurement

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

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15: *Revenue from Contracts with Customers*.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

(I) Financial Instruments - continued

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over its profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through profit or loss;
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

Finley Regional Care Ltd. initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, Finley Regional Care Ltd. made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

(I) Financial Instruments - continued

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with Finley Regional Care Ltd.'s accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- Finley Regional Care Ltd. no longer controls the asset (i.e. has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which Finley Regional Care Ltd. elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Finley Regional Care Ltd. recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other
- lease receivables;
- contract assets (e.g. amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

Finley Regional Care Ltd. uses the following approaches to impairment, as applicable under AASB 9:

- the general approach;
- the simplified approach;
- the purchased or originated credit-impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, Finley Regional Care Ltd. assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, Finley Regional Care Ltd. measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there is no significant increase in credit risk since initial recognition, Finley Regional Care Ltd. measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables; and
- lease receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

(l) Financial Instruments - continued

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc.).

Purchased or originated credit-impaired approach

For financial assets that are considered to be credit-impaired (not on acquisition or originations), Finley Regional Care Ltd. measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (e.g. default or past due event);
- a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, Finley Regional Care Ltd. assumes that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, Finley Regional Care Ltd. applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or relative to the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, Finley Regional Care Ltd. recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(m) Impairment of Assets

At the end of each reporting period, Finley Regional Care Ltd. 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 recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised 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, Finley Regional Care Ltd. 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 recognised 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.

(n) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to confirm to changes in presentation for the current financial year.

(o) Critical Accounting Estimates and Judgements

The Committee of Management 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 Finley Regional Care Ltd..

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Key estimates

- (i) *Useful lives of property, plant and equipment*
As described in Note 1(e), Finley Regional Care Ltd. reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.
- (ii) *Employee benefits*
For the purpose of measurement, AASB 119: *Employee Benefits* requires measurement of long-term employee benefits using a number of estimated inputs. These include probable length of service by employees, rates of wage inflation and future interest rates used for discounting the liability to present value. The inputs used represent the best estimate of the probable liability.
- (iii) *Receivables*
The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectable. The impairment provision is based on the best information at the reporting date.

Key judgements

- (i) *Performance obligations under AASB 15*
To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

(p) Fair Value of Assets and Liabilities

Finley Regional Care Ltd. measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

"Fair value" is the price Finley Regional Care Ltd. would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to Finley Regional Care Ltd. at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and Finley Regional Care Ltd.'s own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

| | Note | 2023 \$ | 2022 \$ |
|--|------|-------------------|-------------------|
| 2. REVENUE AND OTHER INCOME | | | |
| Revenue from contracts with customers | | | |
| - Board & Lodgings | | 1,389,512 | 1,355,860 |
| - Service Fees | | 87,840 | 70,122 |
| - Subsidies | | 6,431,045 | 5,557,045 |
| - Assisted Resident Supplement | | 652,551 | 746,009 |
| - Accomodation Charges Received | | 219,237 | 266,420 |
| - Concessional residents Subsidy | | - | 11,595 |
| - Accomodation Bond Income | | 110,720 | 111,431 |
| - Home care fees | | 17,777 | 24,401 |
| - Grant - Department of Health | | 218,608 | 2,135,005 |
| Other Income | | | |
| - Donations | | 16,763 | 2,707 |
| - Meal receipts | | 10,788 | 15,789 |
| - Traineeship subsidy | | 44,289 | 18,770 |
| - Interest income | | 34,622 | 17,950 |
| - Rebate & refunds | | 38,333 | 58,747 |
| - Medical Centre income | | 2,204,900 | 2,499,701 |
| - Rent | | 102,557 | 68,094 |
| - Profit on sale of assets | | 5,988 | 16,394 |
| Total Revenue | | 11,585,529 | 12,976,039 |
| 3. EXPENSES | | | |
| Depreciation Expense | | | |
| - Freehold Land improvements | | 2,469 | 2,469 |
| - Plant & Equipment | | 263,509 | 183,718 |
| - Motor vehicles | | 18,108 | 19,137 |
| - Laundry Redevelopment | | 2,013 | 2,210 |
| - Furniture & Fittings | | 5,758 | 6,652 |
| - Buildings | | 349,074 | 288,500 |
| | | 640,931 | 502,686 |
| Employee Benefits Expense | | | |
| - Wages and leave provisions | | 5,352,875 | 5,583,169 |
| - Superannuation expense | | 522,623 | 512,639 |
| | | 5,875,499 | 6,095,808 |
| Other expenses | | | |
| - Insurance | | 162,641 | 221,975 |
| - medical contractors | | 1,315,028 | 1,422,339 |
| - repairs & maintenance | | 412,524 | 355,566 |
| - other | | 3,882,278 | 2,094,360 |
| | | 5,772,471 | 4,094,240 |

These notes should be read in conjunction with the attached compilation report.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

| | Note | 2023 \$ | 2022 \$ |
|---|------|------------------|------------------|
| 4. AUDITOR'S REMUNERATION | | | |
| Auditor's fee | | 5,665 | 5,500 |
| Fees to a related practice of the auditor for financial reporting assistance and other services | | 23,000 | 13,000 |
| | | <u>23,000</u> | <u>13,000</u> |
| 5. CASH AND CASH EQUIVALENTS | | | |
| Petty Cash | | 500 | 500 |
| Cash at Bank | | 317,342 | 1,220,230 |
| Term Deposits | | 4,094,818 | 4,366,619 |
| | | <u>4,412,660</u> | <u>5,587,349</u> |
| 6. TRADE AND OTHER RECEIVABLES | | | |
| CURRENT | | | |
| Trade debtors | | 104,824 | 147,411 |
| Other Debtors | | (5,656) | 259 |
| Goods and services tax | | 1,962 | 8,465 |
| Bond - Rental | | 1,520 | - |
| | | <u>102,651</u> | <u>156,135</u> |
| NON-CURRENT | | | |
| Loan - Finley Medical Centre | | - | 4,084 |
| | | <u>-</u> | <u>4,084</u> |
| 7. OTHER ASSETS | | | |
| Prepayments | | 31,286 | 22,831 |
| | | <u>31,286</u> | <u>22,831</u> |
| 8. PROPERTY, PLANT AND EQUIPMENT | | | |
| Work in progress | | 1,341,415 | 1,850,529 |
| | | <u>1,341,415</u> | <u>1,850,529</u> |
| Freehold land - at cost | | 293,631 | 293,631 |
| Less accumulated amortisation | | (14,950) | (12,481) |
| | | <u>278,681</u> | <u>281,150</u> |
| Berrigan Medical Centre - at cost | | 54,578 | 54,578 |
| Less accumulated depreciation | | (13,372) | (7,662) |
| | | <u>41,206</u> | <u>46,916</u> |

These notes should be read in conjunction with the attached compilation report.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

| | Note | 2023 \$ | 2022 \$ |
|--|------|-------------------|-------------------|
| Buildings - at cost | | 17,766,806 | 14,228,807 |
| Less accumulated depreciation | | (3,173,036) | (2,823,962) |
| | | <u>14,593,770</u> | <u>11,404,844</u> |
| Total land and buildings | | <u>14,593,770</u> | <u>13,583,439</u> |
| Plant and equipment - at cost | | 2,360,029 | 2,121,762 |
| Less accumulated depreciation | | (1,235,756) | (990,026) |
| | | <u>1,124,273</u> | <u>1,131,737</u> |
| CACPS Motor vehicles - at cost | | 96,200 | 114,996 |
| Less accumulated depreciation | | (56,397) | (55,657) |
| | | <u>39,803</u> | <u>59,339</u> |
| Laundry redevelopment - at cost | | 90,260 | 90,260 |
| Less accumulated depreciation | | (63,110) | (61,097) |
| | | <u>27,150</u> | <u>29,163</u> |
| Furniture and fittings - at cost | | 84,497 | 72,427 |
| Less accumulated depreciation | | (62,827) | (57,069) |
| | | <u>21,670</u> | <u>15,359</u> |
| Low value pool - at cost | | <u>9,273</u> | <u>12,926</u> |
| Alumina - at cost | | 13,273 | 13,273 |
| Less accumulated depreciation | | (7,218) | (5,200) |
| | | <u>6,055</u> | <u>8,073</u> |
| Total plant and equipment | | <u>1,228,223</u> | <u>1,256,596</u> |
| Total property, plant and equipment | | <u>17,483,296</u> | <u>14,840,034</u> |

(a) Movement in carrying amounts

For disclosure on movement in carrying amounts please refer to note 26(a) in the end of this financial report.

9. INVESTMENT PROPERTY

| | | |
|-----------------------------------|----------------|----------------|
| 8 Donaldson St, Finley 07/05/2021 | 233,135 | 233,135 |
| 50 Scoullar Street, 05/01/2023 | 290,556 | - |
| | <u>523,692</u> | <u>233,135</u> |

These notes should be read in conjunction with the attached compilation report.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

| | Note | 2023 \$ | 2022 \$ |
|---|------|------------------|------------------|
| 10. INTANGIBLE ASSETS | | | |
| Computer software | | 119,031 | 119,031 |
| Less accumulated depreciation | | (101,517) | (93,623) |
| | | <u>17,514</u> | <u>25,408</u> |
| Berrigan Medical Centre (goodwill) 11/05/2021 | | 43,003 | 43,003 |
| | | <u>60,517</u> | <u>68,411</u> |
| 11. TRADE AND OTHER PAYABLES | | | |
| Creditors - Nursing Home | | 254,264 | 261,583 |
| | | <u>254,264</u> | <u>261,583</u> |
| 12. PROVISIONS | | | |
| Provision for annual leave | | 602,171 | 637,992 |
| Provision for personal leave | | 180,485 | 186,911 |
| Provision for long service leave | | 246,325 | 204,212 |
| Provision long service leave non current | | 24,362 | 20,196 |
| | | <u>1,053,342</u> | <u>1,049,311</u> |
| CURRENT | | | |
| Provision for annual leave | | 602,171 | 637,992 |
| Provision for personal leave | | 180,485 | 186,911 |
| Provision for long service leave | | 246,325 | 204,212 |
| | | <u>1,028,980</u> | <u>1,029,115</u> |
| NON-CURRENT | | | |
| Provision for long service leave | | 24,362 | 20,196 |
| | | <u>24,362</u> | <u>20,196</u> |
| 13. MONIES HELD IN TRUST | | | |
| CURRENT | | | |
| Accommodation deposit balances | | 9,908,692 | 7,365,312 |
| | | <u>9,908,692</u> | <u>7,365,312</u> |
| 14. OTHER LIABILITIES | | | |
| CURRENT | | | |
| Resident's Trust Account | | 10,345 | 6,751 |
| Home Care Services - contract liability | | 66,423 | 262,561 |
| Finley dementia alliance | | 7,539 | 7,539 |
| Provision for Headspace | | 69,925 | - |
| | | <u>154,232</u> | <u>276,851</u> |

These notes should be read in conjunction with the attached compilation report.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

| | Note | 2023 \$ | 2022 \$ |
|---|------|------------|------------|
| 15. BORROWINGS | | | |
| NON-CURRENT | | | |
| Loan - Finley Medical Centre | | - | 4,084 |
| 16. CAPITAL COMMITMENTS | | | |
| There are no capital commitments as at 30 June 2023. | | | |
| 17. RELATED PARTY DISCLOSURES | | | |
| No remuneration or retirement benefits were paid to directors as the positions are voluntary. There were no loans to or transactions with related parties during the year. | | | |
| KEY MANAGEMENT PERSONNEL COMPENSATION | | | |
| 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 (KMP). | | | |
| Total key management personnel remuneration | | 224,440 | 200,043 |
| 18. EVENTS AFTER THE REPORTING DATE | | | |
| The Committee of Management is not aware of any significant events since the end of the reporting period. Given the evolving nature of COVID-19, key judgements and estimates incorporate current available information on the COVID-19 pandemic. | | | |
| 19. CONTINGENT LIABILITIES AND CONTINGENT ASSETS | | | |
| There were no contingent assets or liabilities at the date of this report to affect the financial statements. | | | |
| 20. PRUDENTIAL COMPLIANCE STATEMENT - AGED CARE ACT | | | |
| Finley Regional Care Ltd. Meets the requirements of Prudential Compliance Statements as set down in the Aged Care Act 1997. All Services and Fees and Payments Principles 2014 (No.2). | | | |
| 21. COMPANY DETAILS | | | |
| The registered office and principal place of business of the company is: Finley Regional Care Ltd Dawe Avenue Finley, NSW, 2713 | | | |

These notes should be read in conjunction with the attached compilation report.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

- | | Note | 2023
\$ | 2022
\$ |
|--|------|------------|------------|
| 22. AGED CARE ACCREDITATION STANDARDS | | | |
| Finley Regional Care Ltd. operates a Residential Aged Care Service under The Commonwealth Government Aged Care Act (1977). The facility has a full accreditation status and have achieved all 44 accreditation outcome standards. | | | |
| 23. COMPLIANCE STATEMENT - SECTION 34 RETIREMENT VILLAGES ACT | | | |
| Finley Regional Care Ltds meets the requirements as set out in Section 34 of the Retirement Villages Act 1986. | | | |
| 24. (a) FINANCIAL RISK MANAGEMENT POLICIES | | | |
| Finley Regional Care Ltds financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable. Finley Regional Care Ltd does not have any derivative instruments at 30 June 2023. | | | |

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

Financial Asset

Financial assets at amortised costs:

| | | |
|-------------------------------|------------------|------------------|
| - Cash and cash equivalents | 4,412,660 | 5,587,349 |
| - Receivables | 102,651 | 156,135 |
| Total Financial Assets | <u>4,515,312</u> | <u>5,743,484</u> |

Financial Liabilities

Financial liabilities at amortised costs:

| | | |
|------------------------------------|-------------------|------------------|
| - Trade and other payables | 254,264 | 261,583 |
| - Monies held in trust | 9,908,692 | 7,365,312 |
| Total Financial Liabilities | <u>10,162,955</u> | <u>7,626,895</u> |

(a) NET FAIR VALUES

The net fair values of investments at balance date is the amortised cost value, except for the share and investment portfolio which is measured at fair value by reference to quoted market prices. All financial liabilities are listed at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

| | Note | 2023 \$ | 2022 \$ |
|---|------|------------------|------------------|
| 25. CASH FLOW INFORMATION | | | |
| (a) Reconciliation of Cash | | | |
| Cash at the end of financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows: | | | |
| Cash | | 500 | 500 |
| Cash at Bank | | 317,342 | 1,220,230 |
| Term Deposits | | 4,094,818 | 4,366,619 |
| | | <u>4,412,660</u> | <u>5,587,349</u> |
| (b) Reconciliation of cash flow from operations with profit | | | |
| Profit (loss) after income tax | | (711,266) | 2,267,480 |
| Non-cash flows in profit: | | | |
| Amortisation | | 7,894 | 15,826 |
| Depreciation | | 640,931 | 502,686 |
| (Profit) loss on sale of property, plant & equipment | | (5,988) | (16,394) |
| Changes in Assets & Liabilities: | | | |
| (Increase) decrease in trade and other debtors | | 38,526 | (57,396) |
| Increase (decrease) in trade creditors | | (7,319) | (21,989) |
| Increase (decrease) in provisions | | 4,030 | 133,132 |
| Increase (decrease) in other liabilities | | (116,116) | (513,858) |
| Net cash provided by operating activities | | <u>(149,308)</u> | <u>2,309,487</u> |

These notes should be read in conjunction with the attached compilation report.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

26. MOVEMENT IN CARRYING AMOUNTS

Movements in carrying amounts for each class of property, plant and equipment.

| | Work in progress | Freehold land | Berrigan Medical Centre | Buildings | Plant and equipment | CACPS Motor vehicles - at cost | Laundry redevelopment - at cost | Furniture and fittings | Total |
|--|------------------|----------------|-------------------------|-------------------|---------------------|--------------------------------|---------------------------------|------------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2021 | 121,510 | 283,619 | 52,744 | 10,261,048 | 675,039 | 25,038 | 31,373 | 15,971 | 11,466,344 |
| Additions | 1,850,529 | - | 989 | 1,432,296 | 692,147 | 55,354 | - | 6,040 | 4,037,355 |
| Disposals | (121,510) | - | - | - | (37,553) | (1,916) | - | - | (160,980) |
| Depreciation expense | - | (2,469) | (6,817) | (288,500) | (176,901) | (19,137) | (2,210) | (6,652) | (502,686) |
| Carrying amount at 30 June 2022 | 1,850,529 | 281,150 | 46,916 | 11,404,844 | 1,152,732 | 59,339 | 29,163 | 15,359 | 14,840,034 |
| Balance at 1 July 2022 | 1,850,529 | 281,150 | 46,916 | 11,404,844 | 1,152,732 | 59,339 | 29,163 | 15,359 | 14,840,034 |
| Transfer | (1,841,724) | - | - | 1,841,724 | - | - | - | - | - |
| Additions | 1,332,610 | - | - | 1,696,276 | 247,237 | - | - | 12,069 | 3,288,192 |
| Disposals | - | - | - | - | (2,572) | (1,428) | - | - | (4,000) |
| Depreciation expense | - | (2,469) | (5,710) | (349,074) | (257,799) | (18,108) | (2,013) | (5,758) | (640,931) |
| Carrying amount at 30 June 2023 | 1,341,415 | 278,681 | 41,206 | 14,593,770 | 1,139,598 | 39,803 | 27,150 | 21,670 | 17,483,296 |

These notes should be read in conjunction with the attached compilation report.

RESPONSIBLE PERSONS DECLARATIONS

Per section 60.15 of the *Australian Charities and Not-for-profits Commission Regulation 2013*

1. The responsible persons declare that in the responsible persons' opinion:
 - (a) there are grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
 - (b) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.
2. Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

A handwritten signature in black ink, consisting of several loops and a trailing line, positioned above a horizontal line.A handwritten signature in black ink, consisting of a large loop and a trailing line, positioned above a horizontal line.

NJR

Dated: 30/10/2023



INDEPENDENT AUDITOR'S REPORT

To the Members of Finley Regional Care Ltd

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Finley Regional Care Ltd, 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 responsible entities' declaration.

In my opinion the financial report of Finley Regional Care Ltd has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(a) giving a true and fair view of the registered entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The responsible entities are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30 June 2023, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Responsible Entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the responsible entities 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, responsible entities are responsible for assessing the registered entity'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 responsible entities either intends to liquidate the registered entity or to cease operations or has no realistic alternative but to do so.

The responsible entities are responsible for overseeing the registered entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial reports as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.

- Conclude on the appropriateness of the responsible entities' 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 registered entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My 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 registered entity 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.

I communicate with the responsible entities regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Adam Purtill RCA 419507
Date: 31 October 2023
160 Welsford Street Shepparton, VIC 3630

Shepparton
Finley
Deniliquin

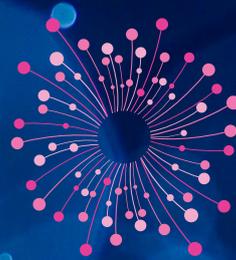
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ANNUAL REPORT
2022 - 2023