Annual Report 2021/2022

A Community of Care

SCOPE Inc trading as Fina Australia

Our Mission

Every day, we plan and work together so our clients enjoy full, rich lives.

As at June 30, 2022, Fina comprised:

17 RESIDENTIAL SUPPORT LOCATIONS

6 OWNED BY FINA

9 OTHER IN-HOME ACCOMMODATION FACILITIES

2 SPECIALISED DISABILITY ACCOMMODATION FACILITIES

42 CLIENTS

37 SUPPORTED RESIDENTIAL ACCOMMODATION

5 SPECIALISED DISABILITY ACCOMMODATION

191 STAFF

20 MANAGEMENT AND ADMIN

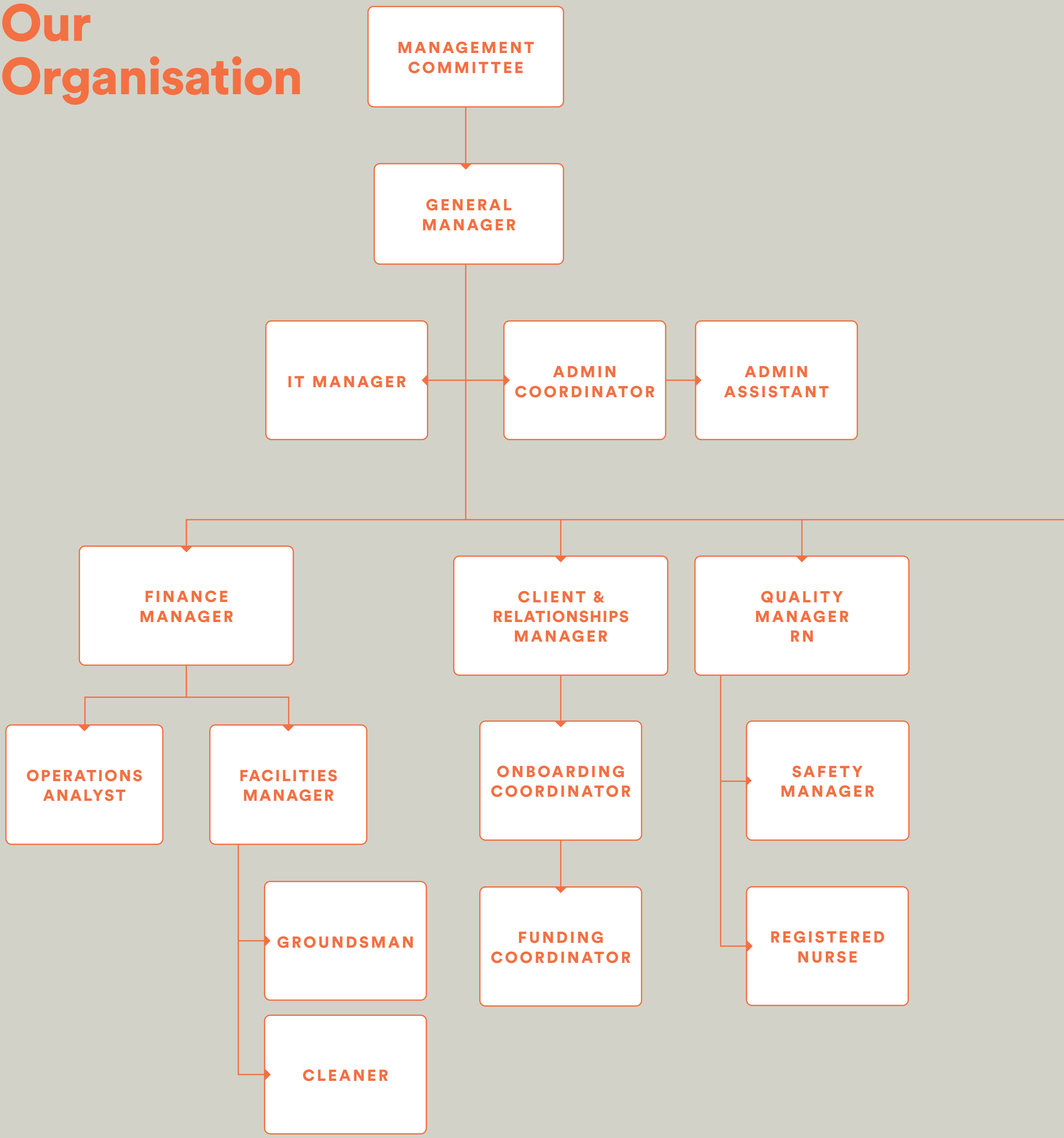
5 FINA CAFÉ/ FINA KITCHEN

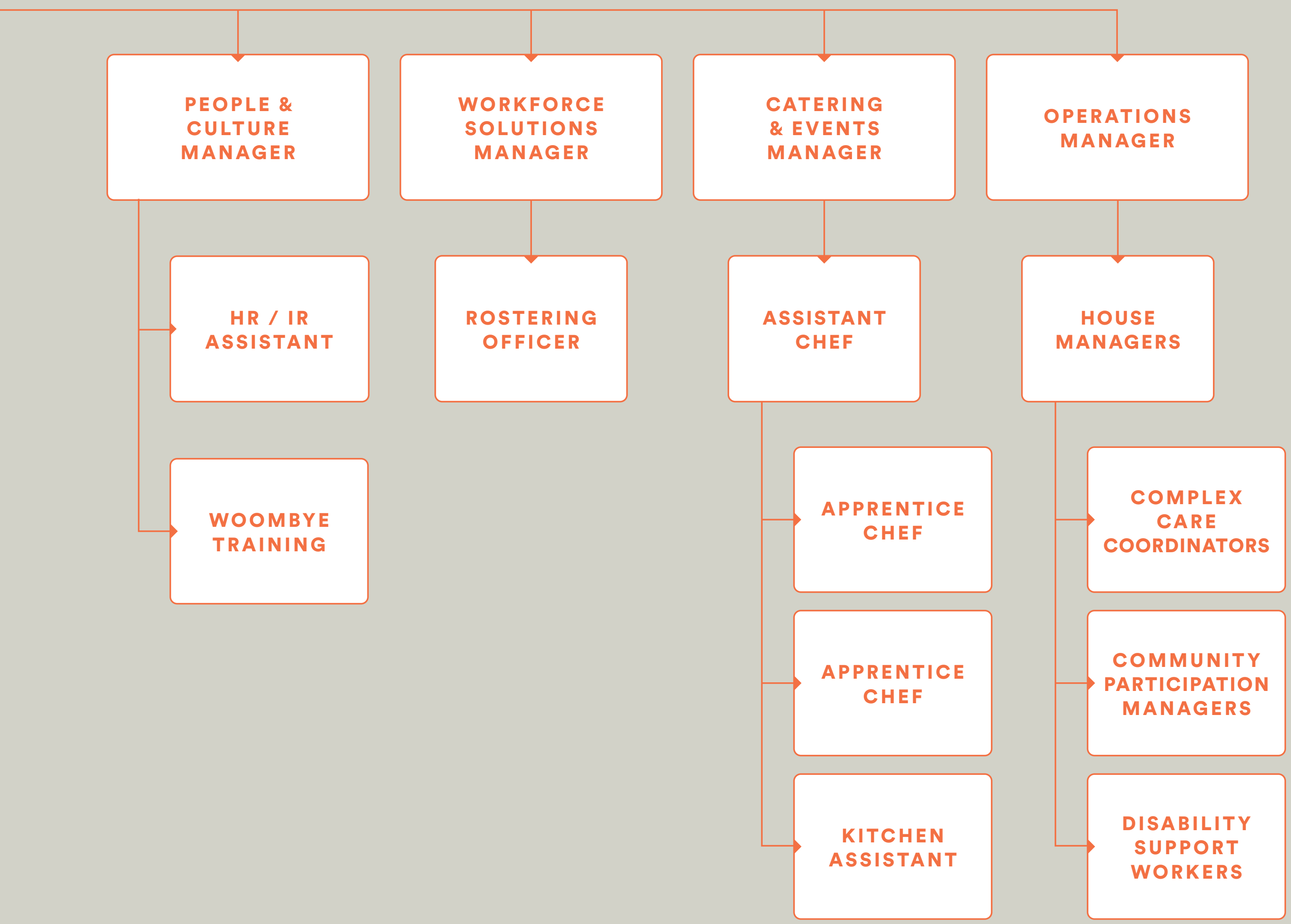
6 HOUSE MANAGERS

159 SUPPORT WORKERS

1 ACTIVITY MANAGER

Our Organisation




PEOPLE & CULTURE MANAGER
WORKFORCE SOLUTIONS MANAGER
CATERING & EVENTS MANAGER
OPERATIONS MANAGER
HR / IR ASSISTANT
ROSTERING OFFICER
ASSISTANT CHEF
HOUSE MANAGERS
WOOMBYE TRAINING
APPRENTICE CHEF
APPRENTICE CHEF
KITCHEN ASSISTANT
COMPLEX CARE COORDINATORS
COMMUNITY PARTICIPATION MANAGERS
DISABILITY SUPPORT WORKERS

The Fina Way

fina

~~Fear~~, courage

~~Doubt~~, certainty ~~Despair~~, hope

~~Darkness~~, light ~~Sadness~~, joy

~~Turmoil~~, peace

~~Ignorance~~, understanding

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We are inspired by the life of St Fina.

Fina was born in 1238 in the small hill-town of San Gimignano in Tuscany. At the age of 10 years, she developed a paralytic illness and she spent the remainder of her life on a bed made from a wooden pallet. She died in 1253 at the young age of 15. Miracles have been attributed to her relics which are kept in a chapel in San Gimignano where she is still venerated.

Financial Year 2021/2022 Overview

The Financial Year 2021/2022 marked a strengthening of our organisation's balance sheet from an equity position at 30/6/21 of $2,931,454 to $3,828,094 as of June 30, 2022.

Fina's current year surplus before income tax was $198,609. This is a decrease from last year of $267,000, attributable to the Covid wave in the first three months of 2022 and the significant cost of Fina's extensive staff training prior to deploying our sophisticated client onboarding methodology.

These costs are not recouped for 12 months and this requires astute financial management on the part of our senior staff.

Capital expenditure in the FY 2021-2022 was limited to $185,000 and allocated almost wholly to the redevelopment of the Malpa facility – incorporating client accommodation, office facilities and a training and assessment centre.

> *Notwithstanding the headwinds and the challenges of 2021/2022, it is pleasing to report that Fina's reserves increased by almost $700,000. This will help underpin our self-funded growth into the future.*

President's Report

I am pleased to present the Annual Report for SCOPE Inc (trading as Fina Australia) for the financial year 2021/2022.

The theme of the President's Report for the financial year 2020/2021 was "Consolidation". Fina's achievements this year are marked by realignment, recalibration and the preparation of our organisation for a period of steady, sustainable, self-funded growth into the future.

Covid-19

After a brief reprieve, subsequent waves of Covid 19 variants swept across the country. Again, we deployed Fina's robust Covid response system which we developed at the outset of the pandemic and which continues to exceed the requirements of the relevant government agencies, including Queensland Health and the NDIS Quality and Safeguards Commission.

Fina remained Covid free until January 2, 2022. Only 10 of our 42 clients were infected which is testament to our aggressive Covid cleaning and monitoring regime along with our hypervigilant approach to the protection of our clients. Nonetheless, by February 20 we had 38 people absent from work with Covid, challenging our rostering system and our capacity to deploy our workforce.

Fina's sophisticated Covid management system enabled us to nominate staff to isolate with our infected clients.

> *The dedication and selflessness of Fina staff at this critical time meant that we did not have a single, unsupported shift during the entire Covid wave.*

The professional advice is that we are not out of the Covid pandemic yet. Fina management and staff remain vigilant but confident of our demonstrably effective and comprehensive Covid management system.

Fina's Finances

The Financial Year 2021/2022 marked a strengthening of our organisation's balance sheet from an equity position at 30/6/21 of $2,931,454 to $3,828,094 as of June 30, 2022. Fina's current year surplus before income tax was $198,609. This is a decrease of from last year of $267,000, attributable to the Covid wave in the first three months of 2022 and the significant cost of Fina's extensive staff training prior to deploying our sophisticated client onboarding methodology. These costs are not recouped for 12 months and this requires astute financial management on the part of our senior staff.

Capital expenditure in the FY 2020-2021 was limited to $185,000 and allocated almost wholly to the redevelopment of the Malpa facility – incorporating client accommodation, office facilities and a training and assessment centre.

Between 1/7/21 and 10/11/21, Fina's cash flow was seriously compromised as a result of the Commonwealth Department of Health migration of the Continuity of Service (CoS) Program to the Disability Support for Older Australians (DSOA) Program. Despite furnishing the Department with all information required in a timely fashion, funding was significantly delayed and/or less than originally advised. Nonetheless, in good faith, Fina continued to deliver care and support to our clients from our reserves. This was a very difficult time not of our making. The Committee of Management and the Senior Leadership Team take this opportunity to thank our loyal suppliers and contractors for their patience and understanding.

Notwithstanding the headwinds and the challenges of 2021/2022, it is pleasing to report that Fina's reserves increased by almost $700,000. This will help underpin our self-funded growth into the future.

Fina's Client Base

Fina's client base has grown from 29 to 42 clients in the FY 2021-2022. This steady and sustainable growth in our client base is the result of our growing reputation and made possible by the extensions and upgrades to our facilities foreshadowed last year's Annual Report. Again, I'm grateful to our dedicated, well-trained staff who continue to put clients first, thereby building on Fina's growing reputation for innovation and unsurpassed client care and support.

Fina's Reputation

Fina continues to build on its positive relationships with Queensland Health's Mental Health, Alcohol & Other Drugs Service, Queensland Corrective Services and Queenland's Forensic Disability Services. Working in partnership with these important agencies, Fina currently cares for and supports 11 of their participants. This is challenging but very rewarding work.

Fina's bespoke IT environment (which includes our new, sophisticated behaviour monitoring tool), staff training and our client onboarding processes are highly regarded by our partners. This specialised area of disability support marks a very significant gap in the current suite of government services and the unhappy fact is that these participants are falling between the cracks. At Fina, we are currently aligning our staff recruitment, training programs, our processes and our bespoke IT systems to take up this significant moral challenge.

Fina's Progressive Lifestyles and Activities

Fina's set of activities matured over the last 12 months, demonstrating Fina's commitment to our clients' right to choose, the dignity of risk and our duty of care. These participatory activities are proving to be very popular with Fina clients and external clients. We look forward to extending the range of these activities in 22/23.

Regrettably, we had to close the Fina Café during the Covid wave earlier in the year.

> *The Fina Kitchen maintained operational status delivering special food and food for weight-loss programs as designed by our nutritionists and dietitians.*

We hope to reopen the Fina Café before Christmas in 2022.

Fina's Culture

Fina continues to build a robust internal culture to underpin understanding and commitment on the part of management and staff to the concepts of:

- ✓ core skills
- ✓ core tools
- ✓ core knowledge
- ✓ core teams

Fina's commitment to client-specific training, sector-leading bespoke tools, core knowledge and a core team culture sets our organisation apart. As we refine our systems and operating protocols and these become better known in the sector, we continue to attract people who want to work according to "The Fina Way".

The "Fina Way" continues to earn the respect and confidence of those agencies which are responsible for the care of challenging clients with special needs.

Fina's Future

As we move into the new financial year, there are challenges and headwinds ahead for our communities, our country and for the world at large.

> *Nonetheless, Fina's achievements during FY 2021/2022 have readied the organisation for a period of steady, sustainable growth into the future.*

We have grown our reputation, refined our IT tools and built new ones, expanded our training regime and enhanced our client onboarding system. Fina moves into the new financial year well-positioned and growth-ready.

Thanks

> *I take this opportunity to thank my colleagues on the Committee of Management for their personal support and commitment to our organisation.*

On behalf of the Committee, I sincerely thank our General Manager, John Hunter, the senior leadership team and indeed all our staff for the dedication, the energy and passion that they bring to our work at Fina.

We all understand that the way ahead is not without its challenges. However, Fina is well-positioned to meet these challenges – and to thrive.

Financial Statements

For the year ended 30 June 2022

Auditor’s Independence Delaration

Under S 307C of the Corporations Act 2001 to the Directors of Fina Australia

In accordance with Subdivision 60-C of the Australian Charities and Not-for-profits Commission Act 2012, I am pleased to provide the following declaration of independence to the directors of FINA Australia. As the lead auditor for the audit of the financial report of FINA Australia for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been no contraventions of:

(i) the auditor independence requirements of the Australian Charities and Not for Profits Commission Act 2012 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Name of Firm ***sps audit***

Name of Auditor Stephen J Shirley

Date 15-Sep-22

Address Unit 9, Serenity Waters
123 Brisbane Road
Mooloolaba QLD 4557

The accompanying notes form part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Note	2022 $	2021 $
Revenue	2	14,584,611	11,649,503
Other income	2	591,278	277,385
Employee benefits expense		(9,705,090)	(0,647,720)
Depreciation and amortisation expense	3	(187,584)	(143,180)
Interest expense on financial liabilities	3	(16,154)	(9,291)
Rental expense	3	(29,857)	(27,366)
Direct support costs		(37,541)	(86,973)
Other expenses		(4,921,053)	(2,546,994)
Current year surplus before income tax		198,609	465,364
Income tax expense			
Net current year surplus		198,609	465,364
Other comprehensive income			
Other comprehensive income		-	-
Total other comprehensive (losses)/income for the year		-	-
Total comprehensive income for the year		198,609	465,364
Surplus attributable to members of the entity		198,609	465,364
Total comprehensive income attributable to members of the entity		198,609	465,364

The accompanying notes form part of these financial statements.

The accompanying notes form part of these financial statements.

Statement of Financial Position

For the year ended 30 June 2022

	Note	2022 $	2021 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	515,790	526,598
Trade and other receivables	5	525,012	158,073
Inventories	6	2,425	3,125
Other current assets	7	18,380	346,507
TOTAL CURRENT ASSETS		1,061,607	1,034,303
NON-CURRENT ASSETS			
Property, plant and equipment	8	3,870,087	2,977,591
Intangible assets	9	465,533	236,428
TOTAL NON-CURRENT ASSETS		4,335,620	3,214,019
TOTAL ASSETS		5,397,227	4,248,322
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	936,309	897,544
Employee provisions	11	632,824	419,324
TOTAL CURRENT LIABILITIES		1,569,134	1,316,868
NON-CURRENT LIABILITIES			
Trade and other payables	10	-	-
Employee provisions	11	-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		1,569,134	1,316,868
NET ASSETS		3,828,094	2,931,454
EQUITY			
Retained surplus		2,026,566	1,827,957
Reserves		1,801,527	1,103,497
TOTAL EQUITY		3,828,094	2,931,454

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the year ended 30 June 2022

	Retained Surplus $	Revaluation Surplus $	Total $
Balance at 1 July 2020	1,362,593	920,997	2,283,590
Comprehensive Income			
Surplus for the year attributable to owners of the entity	465,364		465,364
Other comprehensive income for the year	-		-
Revaluation of land and buildings		182,500	182,500
Balance at 30 June 2021	1,827,957	1,103,497	2,931,454
Balance at 1 July 2021	1,827,957	1,103,497	2,931,454
Comprehensive Income			
Surplus for the year attributable to owners of the entity	198,609		198,609
Other comprehensive income for the year	-		-
Revaluation of land and buildings		698,030	698,030
Balance at 30 June 2022	2,026,566	1,801,527	3,828,094

For a description of each reserve, refer to Note 17.

The accompanying notes form part of these financial statements.

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2022

	Note	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donations, bequests and raffles		14,456,184	11,228,765
Payments to suppliers and employees		(13,831,803)	(10,821,503)
Interest received		99	1,103
Interest paid		(16,154)	(9,291)
Net cash generated from operating activities	15	608,326	399,074
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		8,140	2,091
Payment for property, plant and equipment		(394,312)	(1,033,623)
Payment for intangible assets		(232,962)	(236,428)
Net cash used in investing activities		(619,134)	(1,267,960)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	-
Increase in borrowings		-	-
Net cash used in financing activities		-	-
Net increase in cash held		(10,808)	(868,886)
Cash on hand at beginning of the financial year		526,598	1,395,484
Cash on hand at end of the financial year	4	515,790	526,598

The accompanying notes form part of these financial statements.

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 1 Summary of Significant Accounting Policies

These special purpose financial statements have been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The company 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 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.

The financial statements were authorised for issue on 23rd September, 2022 by the directors of the company.

Accounting Policies

(a) Revenue and Other Income

Operating grants and donations

When the Entity receives operating grants or donations, 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 Entity:

- 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, the Entity:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (eg 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, the Entity recognises income in profit or loss when or as it satisfies its obligations under the contract.

Capital grants

When the Entity 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.

The Entity recognises income in profit or loss when or as the Entity satisfies its obligations under the 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) Inventories

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

(c) Fair Value of Assets and Liabilities

The Entity 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 the Entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie 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 either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie 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 the entity's own equity instruments (excluding those related to share-based payment arrangements) 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.

(d) Property, Plant and Equipment

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

Freehold Property

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers, less subsequent depreciation and subsequent impairment for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

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

Freehold land and buildings 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.

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 its estimated recoverable amount, the carrying amount is written down immediately to its 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(g) 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 company 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.

Plant and equipment that have been contributed at no cost or for nominal cost are 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 to the entity commencing from the time the asset is available 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.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5% - 7.5%
Furniture, fixtures and fittings	10.0% - 66.7%
Motor vehicles	18.7% - 25.0%

Notes to the Financial Statements

For the year ended 30 June 2022

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised as income in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

(e) Leases

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Entity to further its objectives (commonly known as peppercorn/concessionary leases), the Entity has adopted the temporary relief under AASB 16 and measures the right-of-use assets at cost on initial recognition.

(f) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either the purchase or sale of 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 15.63.

(g) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible 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, the entity 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.

(h) Employee Provisions

Short-term employee provisions

A provision is made for the entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 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 (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements 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. Other long-term employee benefits 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. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee provisions expense.

The entity's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the entity 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.

(i) Cash and cash equivalents

Cash and cash equivalents includes 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.

Notes to the Financial Statements

For the year ended 30 June 2022

(j) Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold. 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(g) for further discussion on the determination of impairment losses.

(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) Income Tax

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

(m) Intangible Assets

Software

Software is recorded at cost. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

(n) Provisions

Provisions are recognised when the entity 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.

(o) Comparative Figures

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

When the entity retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period, in addition to the minimum comparative financial statements, must be disclosed.

(p) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements are 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 entity.

Key Estimates

(i) Impairment

The freehold land and buildings were independently valued in 2022 by an independent valuer. The valuation was based on the fair value less costs of disposal. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties. The valuation resulted in a revaluation increment of $698,030 being recognised for the year ended 30 June, 2022.

(ii) Useful lives of property, plant and equipment

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

Key Judgements

(i) Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The company expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

Notes to the Financial Statements

For the year ended 30 June 2022

(q) Economic Dependence

The Entity is dependent on the Federal and State Government Departments ('Department') for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors has no reason to believe the Department will not continue to support the Entity.

Note 2 Revenue and Other Income

	2022 $	2021 $
Revenue		
Revenue from grants:		
— NDIS income	11,054,276	7,923,625
— Continuity of support income	3,290,078	3,423,800
— Cash Flow Boost	-	50,000
— Wages subsidy	88,545	65,295
— Café income	151,711	186,783
Total revenue	14,584,611	11,649,503
Other Income		
— Interest received on bank accounts	99	1,103
— Gain on disposal of property, plant and equipment	1,091	2,091
— Other	34,920	7,306
— Donations	167,501	25,319
— Client contributions	387,667	241,566
Total other income	591,278	277,385
Total revenue and other income	15,175,888	11,926,888

Note 3 Surplus for the Year

	2022 $	2021 $
a. Expenses		
Finance costs:		
— interest expense on financial liabilities	16,154	9,291
Total interest expense	16,154	9,291
Employee benefits expense:		
— contributions to superannuation funds	789,380	670,040
— Wages and salaries	8,995,710	7,977,680
Total employee benefits expense	9,785,090	8,647,720
Rental expense:		
— short-term lease expense	29,857	27,366
Total rental expense	29,857	27,366
Depreciation and amortisation:		
— land and buildings	66,250	40,625
— motor vehicles	29,679	25,710
— furniture and equipment	91,655	76,845
Total depreciation and amortisation	187,584	143,180

Note 4 Cash and Cash Equivalents

	2022 $	2021 $
CURRENT		
Cash at bank	515,790	525,831
Cash on hand	-	767
Total cash on hand as stated in the statement of financial position and	515,790	526,598
statement of cash flows	515,790	526,598

Notes to the Financial Statements

For the year ended 30 June 2022

Note 5 Trade and Other Receivables

	2022 $	2021 $
CURRENT		
Trade receivables	516,708	152,313
Other receivables	8,305	5,760
Total current accounts receivable and other debtors	525,012	158,073

The entity's normal credit term is 30 days.

Note 6 Inventories

	2022 $	2021 $
CURRENT		
At cost:		
Inventory	2,425	3,125
	2,425	3,125

Note 7 Other Assets

	2022 $	2021 $
Accrued income	-	298,994
Prepayments	18,380	47,513
	18,380	346,507

Note 8 Property, Plant and Equipment

	2022 $	2021 $
LAND AND BUILDINGS		
Freehold land at fair value:		
At independent valuation June, 2022	1,600,000	1,600,000
Improvements at cost	-	93,368
Accumulated depreciation	(65,075)	(40,625)
Total land	1,534,925	1,652,743
Buildings at fair value:		
At independent valuation June, 2022	2,078,750	1,050,000
Accumulated depreciation	(106,175)	(64,375)
Total buildings	1,972,575	985,625
Total land and buildings	3,507,500	2,638,368
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	469,724	414,176
Accumulated depreciation	(313,427)	(255,619)
	156,297	158,557
Furniture, Fixtures and Fittings		
At cost	380,118	367,877
Accumulated depreciation	(296,347)	(306,569)
	83,772	61,308
Motor Vehicles		
At cost	316,328	373,019
Accumulated depreciation	(193,810)	(253,661)
	122,518	119,358
Total plant and equipment	362,587	339,223
Total property, plant and equipment	3,870,087	2,977,591

Notes to the Financial Statements

For the year ended 30 June 2022

Movements in Carrying Amounts

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

	Land and Buildings - Owned $	Buildings $	Motor Vehicles $	Plant and Equipment $	Total $
2021					
Balance at the beginning of the year	578,125	1,136,794	74,010	115,719	1,904,648
Additions at cost	425,000	374,074	75,945	164,891	1,039,910
Disposals	-	-	(4,887)	(1,400)	(6,287)
Revaluations	-	182,500	-	-	182,500
Depreciation expense	(17,500)	(40,625)	(25,710)	(59,345)	(143,180)
Carrying amount at the end of the year	985,625	1,652,743	119,358	219,865	2,977,591
2022					
Balance at the beginning of the year	985,625	1,652,743	119,358	219,865	2,977,591
Additions at cost	122,022	115,330	48,136	95,752	381,240
Disposals	-	-	(15,297)	(823)	(16,120)
Revaluations	906,728	(208,698)	-	-	698,030
Depreciation expense	(41,800)	(24,450)	(29,679)	(74,725)	(170,654)
Carrying amount at the end of the year	1,972,575	1,534,925	122,518	240,069	3,870,087

Asset Revaluations

The freehold land and buildings were independently valued at 30th June, 2022 by an independent valuer. The valuation resulted in a revaluation increment of $698,030 being recognised in the revaluation surplus for the year ended 30th June, 2022.

Note 9 Intangible Assets

	2022 $	2021 $
Computer software - at cost	469,391	236,428
Accumulated amortisation	(3,858)	-
Net carrying amount	465,533	236,428

Movements in Carrying Amount

	Computer software $
2021	
Balance at the beginning of the year	-
Additions	236,428
	236,428
2022	
Balance at the beginning of the year	236,428
Additions	232,963
Amortisation charge	(3,858)
	465,533

Note 10 Trade and Other Payables

	2022 $	2021 $
CURRENT		
Trade payables	184,514	156,241
Other current payables	934	1,639
Accounts held in trust	32,194	34,400
Employee accruals	-	622
GST and PAYG payable	383,399	428,854
Superannuation payable	274,347	194,250
Grants in advance	-	59,292
Unspent funds	60,921	22,246
	936,309	897,544
NON-CURRENT		
	-	-

Notes to the Financial Statements

For the year ended 30 June 2022

Note 11 Provisions

	2022 $	2021 $
CURRENT		
Provision for employee benefits: annual leave	580,320	347,413
Provision for employee benefits: long service leave	52,505	71,911
	632,824	419,324
NON-CURRENT		
Provision for employee benefits: long service leave	-	-
	-	-
	632,824	419,324

Analysis of total provisions:	Employee Benefits	Total
Opening balance at 1 July 2021	419,324	419,324
Additional provisions raised during the year	213,500	213,500
Balance at 30 June 2022	632,824	632,824

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the entity does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(h).

Note 12 Contingent Liabilities and Contingent Assets

There were no contingent liabilities or assets identified by the directors as having to be reported at the date of preparation of this report.

Note 13 Events After the Reporting Period

The directors are not aware of any significant events since the end of the reporting period.

Note 14 Key Management Personnel Compensation

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

Note 15 Cash Flow Information

	2022 $	2021 $
a. Reconciliation of Cash Flows from Operating Activities with Net Current Year Surplus		
Net current year surplus	198,609	465,364
Adjustment for:		
Depreciation and amortisation expense	187,584	143,180
Loss / (gain) on disposal of property, plant and equipment	7,980	(2,091)
Movement in working capital changes:		
(Increase)/decrease in accounts receivable and other debtors	(366,939)	(53,180)
Increase/(decrease) in accounts payable and other payables	98,057	440,389
(Increase)/decrease in other current assets	29,133	(92,749)
Increase/(decrease) in employee provisions	213,500	97,799
Increase/(decrease) in income in advance	239,702	(596,513)
(Increase)/decrease in inventories on hand	700	(3,125)
	608,326	399,074

Notes to the Financial Statements

For the year ended 30 June 2022

Note 16 Fair Value Measurements

The entity measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

— financial assets at fair value through profit or loss;
— financial assets at fair value through other comprehensive income; and
— freehold land and buildings.

The entity does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

Note 17 Reserves

a. **Revaluation Surplus**

The revaluation surplus records revaluations of non-current assets.

Note 18 Entity Details

The registered office of the entity is:

FINA Australia
The Hub
30 - 54 Aquatic Centre Drive
BURPENGARY QLD 4510

The principal place of business is:

FINA Australia
The Hub
30 - 54 Aquatic Centre Drive
BURPENGARY QLD 4510

Directors' Declaration

In accordance with a resolution of the directors of FINA Australia, the directors of the entity declare that:

1. The financial statements and notes, as set out on pages 2 to 14, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
   (a) comply with Australian Accounting Standards - Simplified Disclosures applicable to the entity; and
   (b) give a true and fair view of the financial position of the registered entity as at 30 June 2022 and of its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

Director B. A. Macfll

Dated this 23rd day of September 2022

Independent Auditor's Report

Opinion

We have audited the financial report of FINA Australia (the registered entity), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the registered entity is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 (the ACNC Act), including:

i. giving a true and fair view of the Registered Entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

ii. complying with Australian Accounting Standards to the extent described in Note 1 – AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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 Registered Entity in accordance with the auditor independence requirements of the ACNC Act, 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.

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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Registered Entity's financial reporting responsibilities under the Australian Charities and Not-for-profits Commission Act 2012. 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 the Directors for the Financial Report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the ACNC Act and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

The directors of the Registered Entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine 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 directors 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 directors either intend to liquidate the registered entity 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 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 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.

We communicate with the directors 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.

Auditor's name and signature: Stephen J Shirley
Registered Company Auditor Number: 290262

Address: Unit 9, Serenity Waters
123 Brisbane Road
Mooloolaba Qld 4557

Dated this 23rd day of September 2022

Fina is a non-government, not-for-profit, NDIS provider of supported accommodation and respite servicing south-east Queensland (Northern Suburbs, Moreton Bay and Sunshine Coast regions).

SCOPE Inc trading as Fina Australia

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