

**UKRAINIAN ELDERLY PEOPLE'S HOME LTD.  
TRADING AS KALYNA CARE**

**A.B.N. 57 006 305 844**

**GENERAL PURPOSE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2016**

**UKRAINIAN ELDERLY PEOPLE'S HOME LTD. TRADING AS KALYNA CARE  
A.B.N. 57 006 305 844**

**GENERAL PURPOSE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2016**

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**UKRAINIAN ELDERLY PEOPLE'S HOME LTD. TRADING AS KALYNA CARE**  
**A.B.N. 57 006 305 844**  
**DIRECTORS' REPORT**

Your Directors present their report on the Company for the financial year ended 30 June 2016.

**Principal Activities**

The company's principal activities are the provision of Aged Care services to the community utilising self generated and Federal funds.

These principal activities assist in achieving the short term and long term objectives of the company by:

- Enabling Kalyna Care to continue to be the provider of choice for the Ukrainian and broader multicultural community
- Continue to embrace its Ukrainian heritage and remains true to the vision set by our founding members
- Providing non-financial outcomes in response to funding body agreements
- Providing turnover, cash flow and surplus to meet the financial objectives of the company

There were no significant changes in the principal activities of the Company during the year.

**Directors' Information**

The names of the Directors in office at any time during, or since the end of the year and the period that each Director has been in office:

Director's Name	Special Responsibilities	Period as Director	Qualifications and Experience
Halja Bryndzia	Chair	Appointed 26/04/2012 Appointed to Chair 16/11/2014	Associate Diploma of Business (Marketing), Certificate in Governance Practice (GIA) and Sales and Marketing background obtained in Book Publishing, Food Manufacturing and Retail industries.
Andrew Matiszak	Deputy Chair	Appointed 30/11/2008	Dip. Civil Engineering, Grad Cert. Performance Based Building and Fire Codes. Registered Building Surveyor, Building Inspector and Draftsperson. Directorships: - Overnewton Anglican Community College - Building Practitioners Board of Victoria - M&K Building Consultants P/L - Matas Investment P/L. Member of: AIBS, IIEA, IAA. Over 30 years experience in community based Boards and committees.
Manny Stamatopoulos		Appointed 25/11/2012	Experienced businessman with a semi legal background. An additional 10 years experience in Risk Management Insurance and Claims as well as a further 6 years in Sales and Marketing. Has 16 years experience as a Board member in Not for Profit organisations of which 10 years were as the Chairman of the Board. Is Chairman of the Board of a publicly listed company and a Director of a further 6 companies.
Basil Chamula		Appointed 24/04/2013	B.Sc. (Monash), B.Ec (Latrobe), MHA (UNSW) and is the Executive Director of Sovereign Health. Has 10 years experience as a Clinical Biochemist as well as a further 5 years as a Manager of Human Resources at the Royal Children's Hospital. Director, General Services & Special Projects (RCH), 20 years experience as an Independent Consultant in Management of Diagnostic Services and 5 years experience as a Manager and Director of private health and hospital services.
Borys Anin		Appointed 19/03/2015	B.Ec. (Monash), LL. B. (Melbourne). An Australian Legal Practitioner with 32 years experience specialising in Insurance & Personal Injury Law. Managed Private Practice and currently operating as a Legal Costs consultant.
James Miller		Appointed 03/08/2015	MBA, CPA has practiced accounting for over 45 years including as an Auditor and Forensic Accountant. Former member of the Board of Coles Myer Ltd, former member of the Coles Myer Board Audit Committee and former Director of Coles Myer Finance.

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**DIRECTORS' REPORT**

Director's Name	Special Responsibilities	Period as Director	Qualifications and Experience
Marko Misko		Appointed 24/08/2015	Partner of national law firm Clayton Utz since 1999 and heads the firm's Commonwealth infrastructure practice. Specialises in all aspects of infrastructure, including design, construction, financing, operation, maintenance, remediation and disposal. Acted for Kalyna Care on its last development project in 2010 and will provide the legal services to the Vision 2025 development. Involved in the Not-For-Profit sector at a number of levels including; a Director on the Board of the Dnister Ukrainian Credit Co-operative Limited since 2009; the Chair of the Ukrainian Studies Support Fund; a member of the Board of Roads Australia and a member of the board of Infrastructure Sustainability Council of Australia (ISCA).
Anna Muszak		Appointed 28/04/2016	As a qualified accountant (Dip Business Studies and CPA) has held many senior management roles within the private (large multi-national company), public and not for profit sector. She was General Manager of Kalyna Care (formerly known as the Ukrainian Elderly People's Home) from 2007 to 2010 and a previous Director of Kalyna Care for 8 years, including Chairman of the Board, and Dnister Credit Co-Operative Limited for around 2 years.
Dr. Igor Jakubowicz		Appointed 28/04/2016	LMusA.(AMEB), MBBS (Melbourne), MFM (Monash), GDForMed (Monash), GAICD, MRACGP. He is a full-time general practitioner with extensive aged-care experience. With over 20 years experience as director in various roles of Not-For-Profit Community Health organisations.

**Committee Membership**

Composition of these committees is:

**Audit, Risk & Compliance**

J Miller (c)  
 Appointed Chair on 13/08/2015

H Bryndzia  
 A Matiszak  
 M Stamatopoulos  
 A Melnychuk  
 I Jakubowicz (n)

**Governance**

M Stamatopoulos (c)

H Bryndzia  
 A Matiszak  
 J Miller  
 B Anin  
 I Jakubowicz (n)

**Strategic Planning**

B Chamula (c)  
 H Bryndzia  
 A Matiszak  
 M Stamatopoulos  
 J Miller (n)  
 B Anin  
 M Misko (n)  
 A Muszak (n)  
 I Jakubowicz (n)

**Remunerations & Nominations**

H Bryndzia (c)  
 A Matiszak  
 M Stamatopoulos

**Capital Projects Committee**

A Matiszak (c)  
 B Chamula  
 A Muszak (n)

(c) Designates Chair of the committee

(n) Designates new member of the committee

**UKRAINIAN ELDERLY PEOPLE'S HOME LTD. TRADING AS KALYNA CARE**  
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**DIRECTORS' REPORT**

**Meetings of Directors**

During the financial year, 11 (eleven) meetings of Directors (including committees of Directors) were held and the attendances by each Director during the year were as follows:

	Directors' Meetings		Audit, Risk & Compliance		Governance		Strategic Planning		Remuneration & Nominations		Capital Projects	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Halja Bryndzia	11	11	6	6	4	4	2	2	1	1	-	-
Andrew Matiszak	11	10	6	5	4	3	2	2	1	1	3	3
Manny Stamatopoulos	11	8	6	4	4	3	2	2	1	1	-	-
Basil Chamula	11	11	-	-	-	-	2	2	-	-	3	3
Borys Anin	11	8	-	-	4	2	2	2	-	-	-	-
James Miller	10	5	6	5	4	3	2	2	-	-	-	-
Marko Misko	9	4	-	-	-	-	2	1	-	-	-	-
Anna Muszak	4	4	-	-	-	-	-	-	-	-	3	2
Dr. Igor Jakubowicz	4	4	3	1	3	1	-	-	-	-	-	-

The Directors act in an honorary capacity and are not paid for services as Directors to the Company.

**Short Term Objectives of the Company**

The company has identified the following short term objectives:

- To meet the service outcomes required under funding agreements with Federal and State governments;
- To meet continued financial viability and accountability requirements; and
- To provide a workplace that is compliant with industry standards and the Fair Work Act.

The company has adopted the following strategies for achievement of these short term objectives:

- The preparation of a work plan to achieve the service outcomes identified under the funding agreements and allocation of the expected service outcomes over the funding period for periodic reporting to funding bodies, Management and the Directors;
- The preparation of an annual budget for financial performance and the regular review of the company performance against the budget by Management and Directors; and
- The review of the company's compliance with Work Health and Safety, and compliance with employment law including the Fair Work Act.

**Long Term Objectives of the Company**

The company has identified the following long term objectives:

- To grow awareness and resources to promote and provide residential and community care services across Victoria;
- To remain financially sustainable; and
- To grow the company operations in accordance with member and community interests.

The company has adopted the following strategies for achievement of these long term objectives:

- The preparation of a business and strategic plan to identify the opportunities and strengths of the company to provide sustainable residential and community services across Victoria.
- The preparation of a marketing plan to communicate long term objectives to the community, funding bodies, government and employees;
- The preparation of long term budgets that consider the uncertainty of recurrent government grant funding, infrastructure needs, service delivery, employment costs and maintaining prudent levels of working capital and liquidity in investment of funds surplus to current needs; and
- The establishment of a governance framework that ensures policies of the company are acted upon and applied in practise.

UKRAINIAN ELDERLY PEOPLE'S HOME LTD. TRADING AS KALYNA CARE  
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DIRECTORS' REPORT

**Key Performance Indicators**

The company uses the following key performance indicators to measure performance:

**1. Service Outcomes**

The service outcomes for the 2016 financial year were in accordance with standards set for the delivery of Aged Care. The funding body requirements were met according to the Accreditation standards (non-financial requirements) set for the funding of Aged Care services.

**2. Operating Surplus**

Surplus for the financial year was \$964,353 (including bequests of \$171,784).

**3. Cash Flow From Operating Activities**

Cash flow from operating activities for the financial year was \$1,799,589 compared to the cash in flow from operating activities for 2015 of \$1,991,127.

**4. Membership**

Membership for the financial year was 142 (2015 - 132).

**5. Compliance**

- a) The company has complied with all Work Health and Safety, Employment and Environmental reviews.
- b) The company maintained full compliance with all covenant requirements imposed by external financiers with mortgage debt declining from \$3,378,164 in 2015 to \$2,698,325 in 2016.

**Membership Details**

The company is incorporated as a company limited by guarantee that requires the members of the company to contribute an amount not exceeding \$100 per member towards the company liabilities on the winding up of the company.

Membership Class	Number of Members	Individual Members Contribution on Winding Up of the Company	Total Members Contribution on Winding up of the Company
Life Members	6	\$100	\$600
Ordinary Members	136	\$100	\$13,600
Total	142		\$14,200

**Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2016 has been received and is included in this report on Page 5.

Signed in accordance with a resolution of the Board of Directors.

  
Halja Bryndzia (Director & Chair)  
1st day of September 2016

  
Andrew Matiszak (Director & Deputy Chair)  
1st day of September 2016

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER 60-40 OF THE AUSTRALIAN CHARITIES AND  
NOT-FOR-PROFITS COMMISSION ACT 2012  
TO THE DIRECTORS OF  
UKRAINIAN ELDERLY PEOPLE'S HOME LTD. TRADING AS KALYNA CARE  
A.B.N. 57 006 305 844**

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

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



Name of Auditor: Frederik R.L. Eksteen CA

Date: 1 September 2016

Address: Collins & Co  
127 Paisley Street  
Footscray VIC 3011

**Ukrainian Elderly Peoples Home Ltd.****ACN 006 305 844****Statement of Comprehensive Income***For the year ended 30 June 2016*

	<i>Note</i>	<b>2016</b>	<b>2015</b>
		\$	\$
<b>Income</b>			
Resident Fees		2,421,162	2,364,412
Government Subsidies		6,536,596	6,161,922
Donations		6,259	6,989
Bequest		171,784	603,999
Interest Received		164,116	127,201
Fair Value Adjustment - Interest Rate SWAP		-	114,608
Miscellaneous Income		33,495	60,448
Grants Received		13,658	5,241
	<b>2</b>	<b>9,347,070</b>	<b>9,444,820</b>
<b>Expenses</b>			
Overheads		849,546	685,670
Utilities		315,035	289,133
Food		408,730	391,745
Employee Benefits	<b>3</b>	5,837,674	5,472,181
Repairs & Maintenance		302,271	275,559
Depreciation & Amortisation	<b>4</b>	501,591	529,449
Loan Interest		167,870	281,063
		<b>8,382,717</b>	<b>7,924,800</b>
<b>Surplus for the year</b>		<b>964,353</b>	<b>1,520,020</b>
<b>Other Comprehensive Income/ (Expenses)</b>			
Revaluation decrement		-	(1,022,228)
<b>Total Comprehensive income for the year</b>		<b>964,353</b>	<b>497,792</b>

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes and the auditors report.



**Ukrainian Elderly Peoples Home Ltd.****ACN 006 305 844****Statement of Financial Position**

as at 30 June 2016

	<i>Note</i>	<b>2016</b>	<b>2015</b>
		<b>\$</b>	<b>\$</b>
<b>Current Assets</b>			
Cash and cash equivalents	<b>5</b>	649,552	165,901
Trade and other receivables	<b>6</b>	145,799	137,157
Inventories	<b>7</b>	-	4,065
Financial Assets	<b>8</b>	5,721,628	2,911,387
Other Assets	<b>9</b>	65,226	55,046
<b>Total Current Assets</b>		<b>6,582,205</b>	<b>3,273,556</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	<b>10</b>	17,323,511	17,460,631
Intangible Assets	<b>11</b>	9,952	15,957
<b>Total Non-Current Assets</b>		<b>17,333,463</b>	<b>17,476,588</b>
<b>Total Assets</b>		<b>23,915,668</b>	<b>20,750,144</b>
<b>Current Liabilities</b>			
Trade and other payables	<b>12</b>	409,697	251,322
Borrowings	<b>13</b>	10,483,194	7,950,137
Provisions	<b>14</b>	737,470	643,954
Other Liabilities	<b>15</b>	138,641	93,137
<b>Total Current Liabilities</b>		<b>11,769,002</b>	<b>8,938,550</b>
<b>Non-Current Liabilities</b>			
Borrowings	<b>13</b>	1,972,916	2,639,734
Provisions	<b>14</b>	79,953	42,416
<b>Total Non-Current Liabilities</b>		<b>2,052,869</b>	<b>2,682,150</b>
<b>Total Liabilities</b>		<b>13,821,871</b>	<b>11,620,700</b>
<b>Net Assets</b>		<b>10,093,797</b>	<b>9,129,444</b>
<b>Equity</b>			
Assets Revaluation Reserve		2,314,059	2,314,059
Bequest Reserve	<b>16</b>	737,324	603,999
Accumulated Funds		7,042,414	6,211,386
<b>Total Equity</b>		<b>10,093,797</b>	<b>9,129,444</b>

The Statement of Financial Position should be read in conjunction with the accompanying notes and the auditors report.

**Ukrainian Elderly Peoples Home Ltd.****ACN 006 305 844****Statement of Changes in Equity***For the year ended 30 June 2016*

2016	Accumulated	Assets	Bequest	Total Equity
	Funds	Revaluation Reserve	Reserve	
	\$	\$	\$	\$
<b>Total Equity At The Beginning Of The Financial Year</b>	<b>6,211,386</b>	<b>2,314,059</b>	<b>603,999</b>	<b>9,129,444</b>
Surplus for the year	964,353	-	-	964,353
Revaluation increment / (decrement)	-	-	-	-
Transfer to bequest reserve	(171,784)	-	171,784	-
Transfer from bequest reserve for motor vehicle purchase	38,459		(38,459)	-
<b>Total Equity At The End Of The Financial Year</b>	<b>7,042,414</b>	<b>2,314,059</b>	<b>737,324</b>	<b>10,093,797</b>

2015	Accumulated	Assets	Bequest	Total Equity
	Funds	Revaluation Reserve	Reserve	
	\$	\$	\$	\$
<b>Total Equity At The Beginning Of The Financial Year</b>	<b>5,295,365</b>	<b>3,336,287</b>	-	<b>8,631,652</b>
Surplus for the year	1,520,020	-	-	1,520,020
Revaluation increment / (decrement)	-	(1,022,228)	-	(1,022,228)
Transfer to bequest reserve	(603,999)	-	603,999	-
<b>Total Equity At The End Of The Financial Year</b>	<b>6,211,386</b>	<b>2,314,059</b>	<b>603,999</b>	<b>9,129,444</b>

**Ukrainian Elderly Peoples Home Ltd.****ACN 006 305 844****Cash Flow Statement***For the year ended 30 June 2016*

	<i>Note</i>	<b>2016</b> \$	<b>2015</b> \$
		Inflows (Outflows)	Inflows (Outflows)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments (inclusive of goods and services tax)</b>			
Employee costs		(5,654,060)	(5,529,209)
Interest on loan		(167,870)	(281,063)
Payments to suppliers & others		(1,758,145)	(1,682,499)
		<u>(7,580,075)</u>	<u>(7,492,771)</u>
<b>Receipts (inclusive of goods and services tax)</b>			
Resident Fees		2,457,440	2,388,299
Interest		163,980	125,040
Other		221,978	793,814
<b>Government Receipts</b>			
Subsidies		6,536,266	6,176,745
		<u>9,379,664</u>	<u>9,483,898</u>
<b>Net cash provided by operating activities</b>	<b>20</b>	<u><b>1,799,589</b></u>	<u><b>1,991,127</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments for:</b>			
Property, plant and equipment		(376,148)	(205,892)
Intangible assets		-	(9,775)
Investment in term deposit		-	(20,000)
Proceeds on disposal on property, plant and equipment		3,631	-
<b>Net cash used in investing activities</b>		<u><b>(372,517)</b></u>	<u><b>(235,667)</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
			-
Repayment /Proceeds from Resident/Unit Bonds/ RADs		2,561,878	196,532
Repayment /Proceeds from Mortgage Loans		(679,839)	(677,223)
Repayment of Finance Lease		(15,800)	(5,659)
<b>Net cash provided by financing activities</b>		<u><b>1,866,239</b></u>	<u><b>(486,350)</b></u>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>3,293,311</b>	<b>1,269,110</b>
Cash at the beginning		3,057,288	1,788,178
<b>CASH AT THE END</b>	<b>5</b>	<u><u><b>6,350,599</b></u></u>	<u><u><b>3,057,288</b></u></u>

The Statement of Cash Flows should be read in conjunction  
with the accompanying notes and the auditors report.

## **Note 1. Statement of Significant Accounting Policies**

The financial statements are for Ukrainian Elderly People's Home Ltd. Ukrainian Elderly People's Home Ltd trading as Kalyna Care an individual entity, incorporated and domiciled in Australia. Ukrainian Elderly People's Home Ltd trading as Kalyna Care is a company limited by guarantee.

### **Policies Basis of preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the ACNC Act 2012. The Company is a not-for-profit Company for financial reporting purposes under Australian Accounting Standards.

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention.

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 the financial statements are presented below and have been consistently applied unless stated otherwise.

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

### **Going Concern**

The statement of financial position shows a deficit in working capital (current assets less current liabilities) at 30 June 2016 of \$5,186,797 (2015: \$5,664,994). Current liabilities include resident funded loans in the form of residents' entry contributions, accommodation bonds and refundable accommodation deposits (RAD's) which are repayable at call, subject to applicable conditions. Historical turnover statistics indicate that only a small percentage of resident funded loans are likely to be required to be repaid within the next twelve months.

Notwithstanding the above circumstances, Directors believe operational resources and cash reserves are sufficient to meet all financial commitments as and when they fall due for the coming 12 month period.

As a result of the above, Directors have determined that it is appropriate for the financial statements to be prepared on a going concern basis.

### **Accounting Policies**

#### **a. Property, Plant and Equipment**

##### *Property*

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

### *Plant and Equipment*

Plant and equipment is stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using both the diminishing value and prime cost basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Buildings and Building Improvements	2.50%
Furniture and Fixtures	20% - 30%
Office Equipment	20% - 40%
Plant and Equipment	20% - 30%
Motor Vehicles	22.50%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

### **b. Impairment of Assets**

At each reporting date, the company reviews the carrying values of its 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 to sell and value-in-use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

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

### **c. Leases**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

**d. Financial Instruments**

**Initial Recognition and Measurement**

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

Financial instruments are initially measured at fair value plus transactions 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.

**Classification and Subsequent Measurement**

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as (i) the amount at which the financial asset or financial liability is measured at initial recognition (ii) less principal repayments (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

*The effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

**Financial assets at fair value through the profit & loss**

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Company of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

**Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are Included in non-current assets, except for those which are expected to mature within 12 months after the end of reporting period. If during the period the Company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments would be tainted and reclassified as available-for-sale.

### **Financial liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

### **Fair value**

Fair Value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

### **Impairment**

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

### **Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

## **e. Employee Benefits**

### **Short term benefits**

The provisions for employee entitlements to wages, salaries, annual and paid maternity leave represent obligations resulting from employees' services provided up to reporting date, calculated at undiscounted amounts based on wage and salary rates, including related on-costs, which the Company expects to pay at the end of each reporting period.

### **Long term benefits**

The provision for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to reporting date.

### **Superannuation**

Superannuation contributions are made by the Company to approved superannuation funds for all employees. The costs are charged as employee expenses as they are incurred. The Company has no legal obligation to cover any shortfall in the superannuation funds' obligations to provide benefits to employees on retirement.

## **f. Provisions**

Provisions are recognised when the Company 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 are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

## **g. 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 short term borrowings in current liabilities in the statement of financial position.

**h. Revenue**

Revenue comprises revenue from the resident fees, government grants and subsidies, retention fees and interest.

Revenue is measured by reference to the fair value of consideration received or receivable by the Company for goods supplied and services provided, excluding sales taxes, rebates, and trade discounts.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Company's different activities have been met. Details of the activity-specific recognition criteria are described below.

***Resident Fees***

Residents are liable to pay basic daily fee, means tested care fee and accommodation charges under the government's determination based on the Aged Care Act 1997. These fees are recognised as revenue when the service is provided. This is normally undertaken on a monthly basis.

***Grant Revenue***

If conditions are attached to a grant which must be satisfied before the Company is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the Company obtains control of the funds, economic benefits are probable and the amount can be measured reliably.

***Retention Fees***

Monthly retention fees are deducted from each bond account according to statutory requirements and are recognised as revenue.

***Government Subsidies***

Government subsidies are funding under government determinations and are recognised as revenue when the service is provided.

***Interest Revenue***

Interest revenue is recognised on a time proportional basis taking into account the interest rates applicable to the financial assets.

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

**i. Trade & Other Payables**

Trade and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**j. Borrowing Costs**

Borrowing costs are expensed in the period in which the costs are incurred.



**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 Tax Office.

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 net 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 excluded from the receipts from customers or the payments to suppliers.

**l. Taxes**

***Income Tax***

As the company is a charitable entity in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

***Land Tax***

The Company is exempt from land tax because the property is used exclusively for a charitable purpose.

***Payroll Tax***

The Company is exempt from payroll tax because it is classified as a Public Benevolent Institution, as well as being a not-for-profit with a dominant charitable purpose.

***Stamp Duty***

The Company is exempt from stamp duty because the Company's purpose and activities are exclusively charitable.

**m. Fair Value Measurement**

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

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

**n. Intangibles**

***Software***

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

**o. Accommodation Bonds and Refundable Accommodation Deposits (RAD)**

Accommodation bonds are measured at the principal amount less retention amounts permitted under the Aged Care Act (1997).

All Accommodation Bonds and Refundable Accommodation Deposits (RAD's) are recognised as current liabilities in accordance with AASB101 Presentation of financial statements; however, historical turnover statistics indicate that only a small percentage of Accommodation Bonds or Refundable Accommodation Deposits (RAD's) are likely to be required to be repaid within the next twelve months. The rolling nature of resident funded Accommodation Bonds or Refundable Accommodation Deposits (RAD's) is such that the repayment of a bond is usually offset by a new resident funded RAD.

**p. Comparative Figures**

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

When a Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

**q. Critical Accounting Estimates and Judgments**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

**Employee Benefits**

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

**Impairment of Assets**

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets.

Where an impairment trigger exists, the recoverable amount of the asset is determined.

**Useful Lives of Depreciable Assets**

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

	2016 \$	2015 \$
<b>Note 2 REVENUE FROM CONTINUING OPERATIONS</b>		
<b>ORDINARY ACTIVITIES</b>		
Resident Fees	2,421,162	2,364,412
Government Subsidies	6,536,596	6,161,922
Interest Received	164,116	127,201
Fair Value Adjustment - Interest Rate SWAP	-	114,608
Grants Received	13,658	5,241
Miscellaneous Income	33,495	60,448
	<u>9,169,027</u>	<u>8,833,832</u>
<b>NON-ORDINARY ACTIVITIES</b>		
Donations	6,259	6,989
Bequest	171,784	603,999
	<u>178,043</u>	<u>610,988</u>
<b>TOTAL</b>	<u>9,347,070</u>	<u>9,444,820</u>
<b>Note 3 EMPLOYEE BENEFIT EXPENSE</b>		
Wages and salaries	5,037,520	4,763,792
Superannuation	474,856	445,518
Other employment costs (includes WorkCover and oncosts)	325,298	262,871
	<u>5,837,674</u>	<u>5,472,181</u>
<b>Note 4 DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation and Amortisation was charged in respect of:		
Buildings & Improvements	356,447	396,511
Furniture & Fixtures	77,737	80,132
Office Equipment	24,396	22,542
Plant & Equipment	25,171	20,220
Motor Vehicles	11,835	4,105
Computer Software	6,005	5,939
	<u>501,591</u>	<u>529,449</u>
<b>Note 5 CASH AND CASH EQUIVALENTS</b>		
Cash on hand	8,252	8,866
Cash at bank	641,300	157,035
	<u>649,552</u>	<u>165,901</u>
Cash deposits earn interest of 0.10% per annum.		
The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement as follows:		
Balances as above	649,552	165,901
Add Investments (see Note 8)	5,701,047	2,891,387
Balances per cash flow statement	<u>6,350,599</u>	<u>3,057,288</u>

	2016 \$	2015 \$
<b>Note 6 TRADE AND OTHER RECEIVABLES</b>		
Resident Fees	33,676	30,528
Interest receivable on Bond Held	57,117	57,117
Accrued Income	33,165	26,756
Net GST Recoverable	21,841	22,756
	<u>145,799</u>	<u>137,157</u>
<b>Note 7 INVENTORIES</b>		
Food	-	1,200
Cleaning Supplies & other	-	2,865
	<u>-</u>	<u>4,065</u>
<b>Note 8 FINANCIAL ASSETS</b>		
<b>Current</b>		
Cash Management Account	1,250	1,250
Term of Investment - 3 months	5,699,797	2,890,137
Term of Investment - 12 months	20,581	20,000
	<u>5,721,628</u>	<u>2,911,387</u>
All investments are at call or term deposits held with Dnister Ukrainian Credit Co-Operative Limited. These investments are currently earning between 2.65% and 3.05% per annum.		
<b>Note 9 OTHER ASSETS</b>		
Prepayments	65,226	55,046
	<u>65,226</u>	<u>55,046</u>
<b>Note 10 PROPERTY, PLANT &amp; EQUIPMENT</b>		
<b>Land &amp; Building</b>		
Land & Buildings - At Fair Value	17,058,400	16,950,000
Less Accumulated Depreciation	(356,447)	-
	<u>16,701,953</u>	<u>16,950,000</u>
<b>Furniture &amp; Fixtures</b>		
At Cost	774,252	860,646
Less Accumulated Depreciation	(483,918)	(527,277)
	<u>290,334</u>	<u>333,369</u>
<b>Office Equipment</b>		
At Cost	173,445	177,695
Less Accumulated Depreciation	(116,077)	(106,333)
	<u>57,368</u>	<u>71,362</u>
<b>Plant &amp; Equipment</b>		
At Cost	223,280	249,218
Less Accumulated Depreciation	(117,446)	(156,943)
	<u>105,834</u>	<u>92,275</u>
<b>Motor Vehicles</b>		
At Cost	117,817	64,557
Less Accumulated Depreciation	(18,154)	(50,932)
	<u>99,663</u>	<u>13,625</u>
<b>Total Property, Plant &amp; Equipment</b>	<u>17,323,511</u>	<u>17,460,631</u>

2016  
\$                      2015  
\$

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning of the current financial year are set out below:

2016	Land, Buildings & Improvements	Furniture & Fixtures	Office Equipment	Plant & Equipment	Motor Vehicles	Capital Works in Progress	TOTAL
Carrying amount at 1/7/15	16,950,000	333,369	71,362	92,275	13,625	-	17,460,631
Additions	108,400	43,657	12,497	44,500	98,735	68,359	376,148
Disposals	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-
Depreciation/Amortisation	(356,447)	(77,737)	(24,396)	(25,171)	(11,835)	-	(495,586)
Write-offs	-	(8,955)	(2,095)	(5,770)	-	-	(16,820)
WDV of assets sold	-	-	-	-	(862)	-	(862)
Adjustments	-	-	-	-	-	-	-
<b>Carrying amount at 30/6/16</b>	<b>16,701,953</b>	<b>290,334</b>	<b>57,368</b>	<b>105,834</b>	<b>99,663</b>	<b>68,359</b>	<b>17,323,511</b>

2015	Land, Buildings & Improvements	Furniture & Fixtures	Office Equipment	Plant & Equipment	Motor Vehicles	Capital Works in Progress	TOTAL
Carrying amount at 1/7/14	18,252,817	360,819	79,854	89,866	17,730	-	18,801,086
Additions	115,922	52,897	14,443	22,629	-	-	205,891
Disposals	-	(215)	(393)	-	-	-	(608)
Revaluations	(1,022,228)	-	-	-	-	-	(1,022,228)
Depreciation/Amortisation	(396,511)	(80,132)	(22,542)	(20,220)	(4,105)	-	(523,510)
Write-offs	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-
<b>Carrying amount at 30/6/15</b>	<b>16,950,000</b>	<b>333,369</b>	<b>71,362</b>	<b>92,275</b>	<b>13,625</b>	<b>0</b>	<b>17,460,631</b>

Note 11

**Intangible Assets**

Computer Software

At Cost

Less Accumulated Depreciation

	22,774	22,774
	(12,822)	(6,817)
	9,952	15,957

2016	Computer Software
Carrying amount at 1/7/15	15,957
Additions	-
Disposals	-
Depreciation/Amortisation	(6,005)
Write-offs	-
<b>Carrying amount at 30/6/16</b>	<b>9,952</b>

2015	Computer Software
Carrying amount at 1/7/14	15,441
Additions	9,775
Disposals	(3,320)
Depreciation/Amortisation	(5,939)
Write-offs	-
<b>Carrying amount at 30/6/15</b>	<b>15,957</b>

**Ukrainian Elderly Peoples Home Ltd.**  
**ACN 006 305 844**  
**Notes to the Financial Statements**  
For the year ended 30 June 2016

	2016	2015
	\$	\$
<b>Note 12 TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Accrued Expenses	241,116	118,704
Payables	105,827	84,445
Credit Cards	6,875	3,777
PAYG Withholding Tax	55,879	44,396
	<u>409,697</u>	<u>251,322</u>

Creditors are unsecured and interest free. Settlement generally occurs within 30 days of invoice.

<b>Note 13 BORROWINGS</b>		
<b>Current</b>		
Refundable Accommodation Deposit - RAD	3,945,442	857,626
Accommodation Bonds - Residents	5,003,460	5,420,738
Accommodation Bonds - Independent Living Units	808,883	917,543
Mortgage Loans	725,409	750,703
Lease	-	5,150
Finance Charges	-	(1,623)
	<u>10,483,194</u>	<u>7,950,137</u>
<b>Non Current</b>		
Lease	-	14,404
Mortgage Loans	1,972,916	2,627,461
Finance Charges	-	(2,131)
	<u>1,972,916</u>	<u>2,639,734</u>

The mortgage loans are secured by Registered First Mortgage by Dnister Ukrainian Credit Co-operative Ltd. over property situated at 344 Taylors Road, DELAHEY VIC 3037 and Registered General Security Agreement fixed/floating charge by Dnister Ukrainian Credit Co-operative Ltd. over all assets, including Aged Care licence/ Accreditation.

<b>Note 14 PROVISIONS</b>		
<b>Current - Employee Benefits</b>		
Annual leave	414,210	363,176
Long Service Leave	323,260	280,778
	<u>737,470</u>	<u>643,954</u>
<b>Non-Current - Employee Benefits</b>		
Long Service Leave	79,953	42,416
	<u>79,953</u>	<u>42,416</u>
<b>Provision for Annual Leave</b>		
Balance at the beginning of the year	363,176	307,357
Amount charged to the provision during the year	(272,082)	(225,353)
Amount provided during the year	323,116	281,172
<b>Balance at end of the year</b>	<u>414,210</u>	<u>363,176</u>
<b>Provision for Long Service Leave</b>		
Balance at the beginning of the year	323,194	270,744
Amount charged to the provision during the year	64,354	24,432
Amount provided during the year	15,665	28,018
<b>Balance at end of the year</b>	<u>403,213</u>	<u>323,194</u>

	2016	2015
	\$	\$
<b>Note 15 OTHER LIABILITIES</b>		
<b>Current</b>		
Government Subsidy paid in advance	10,137	4,058
Income received in advance	128,223	88,984
Residents' monies	150	50
Prepaid membership fees	131	45
	<u>138,641</u>	<u>93,137</u>
<b>Note 16 BEQUEST RESERVE</b>		
The Late Ms Maja Hrudka	532,754	532,754
The Late Mrs Bohdanna Tarnawsky	32,786	32,786
The Late Mrs Vale Bacinskas	-	38,459
The Late Mrs Oresta Lenkiwska	171,784	-
	<u>737,324</u>	<u>603,999</u>
<b>Note 17 KEY MANAGEMENT PERSONNEL COMPENSATION</b>		
Key management personnel compensation	<u>464,000</u>	<u>459,000</u>
<b>Note 18 COMMITMENTS</b>		
<i>Lease commitments - financing</i>		
Committed at the reporting date and recognised as liabilities payable:		
Within one year	-	5,150
One to five years	-	14,404
	<u>-</u>	<u>19,554</u>
<b>Note 19 REMUNERATION OF AUDITORS</b>		
Amount received, or due and receivable, by the auditors of this facility for the following:		
Accountants and Advisers	<u>17,150</u>	<u>15,000</u>
<b>Note 20 RECONCILIATION OF (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS TO NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES</b>		
Net surplus	964,353	1,520,020
<u>Non cash items</u>		
Fair Value Adjustment - Interest Rate Swap	-	(114,608)
(Profit)/ Loss on sale on non-current assets	(2,772)	3,930
Assets written off/ scrapped	16,822	
Depreciation	501,591	529,449
	<u>515,641</u>	<u>418,771</u>
<u>Change in operating assets and liabilities</u>		
Decrease (Increase) in trade and other receivables	(3,148)	18,322
Decrease (Increase) in accrued income	(6,409)	10,765
Decrease (Increase) in other debtors	915	(9,153)
Decrease (Increase) in other assets	(10,761)	11,692
Decrease (Increase) in other inventory	4,065	-
Increase (Decrease) in trade and other payables	158,375	(97,183)
Increase (Decrease) in other creditors	45,505	9,624
Increase (Decrease) in provisions	131,053	108,269
	<u>319,595</u>	<u>52,336</u>
Net cash inflow (outflow) from operating activities	<u>1,799,589</u>	<u>1,991,127</u>

	2016	2015
	\$	\$
<b>Note 21 RELATED PARTIES</b>		
<b>Directors</b>		
The names of persons who were directors of the Company at 30 June 2016 were:		
Halja Bryndzia (Chair)		
Andrew Matiszak		
Manny Stamatopoulos		
Basil Chamula		
Borys Anin		
James Miller		
Marko Misko		
Anna Muszak		
Igor Jakubowicz		
<b>Transactions with directors and director-related entities</b>		
James Miller - James Miller Forensics	8,640	11,720
Anna Muszak - Financial Consultant	1,430	-
	<u>10,070</u>	<u>11,720</u>

**Note 22 MEMBERS GUARANTEE**

The company is limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards meeting outstanding obligations of the company. At 30 June 2016 the number of members was 142 (2015 - 132) .

**Note 23 COMPANY DETAILS**

The company is limited by guarantee, and incorporated in Australia. Its registered office and principal place of business is 344 Taylors Road, Delahey, Victoria, 3037.

**Note 24 CONTINGENT LIABILITIES**

The Directors are unaware of any other contingent liabilities not recognised elsewhere in these accounts.

**Note 25 EVENTS SUBSEQUENT TO REPORTING DATE**

No matters or circumstances have arisen since the end of the financial period which significantly affected or may affect the operations of the company, the results of those operations, or the state of affairs of the company in future years.



		2016	2015
		\$	\$
<b>Note 26 Financial Risk Management</b>			
<p>The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.</p> <p>The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements are as follows:</p>			
	<b>Note</b>		
<b>Financial assets</b>			
Cash and cash equivalents	<b>5</b>	649,552	165,901
Trade and other receivables	<b>6</b>	145,799	137,157
Financial assets- held to maturity investments	<b>8</b>	5,721,628	2,911,387
Other Assets	<b>9</b>	65,226	55,046
<b>Total financial assets</b>		<u>6,582,205</u>	<u>3,269,491</u>
<b>Financial liabilities</b>			
Financial liabilities at amortised cost			
Trade and other payables	<b>12</b>	409,697	251,322
Borrowings	<b>13</b>	12,456,110	10,589,871
Other	<b>15</b>	138,641	93,137
<b>Total financial liabilities</b>		<u>13,004,448</u>	<u>10,934,330</u>

**Note 27 SEGMENT REPORTING**

The company operates solely in the residential aged care industry in Australia.

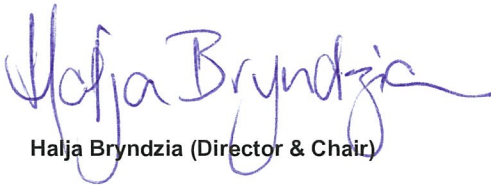
The directors of the company hereby confirm that Independent Living Unit income represents less than 10% of the Total Revenue.

UKRAINIAN ELDERLY PEOPLE'S HOME LTD. TRADING AS KALYNA CARE  
A.B.N. 57 006 305 844  
DIRECTORS' DECLARATION

The responsible persons declare that in the responsible persons' opinion:

1. there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
2. the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.



Halja Bryndzia (Director & Chair)

1<sup>st</sup> day of September 2016



Andrew Matiszak (Director & Deputy Chair)

1<sup>st</sup> day of September 2016

**UKRAINIAN ELDERLY PEOPLE'S HOME LTD. TRADING AS KALYNA CARE** Paisley Street  
A.B.N. 57 006 305 844  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

Footscray VIC 3011  
Australia

Phone (03) 9680 1000  
Fax (03) 9689 6605

**Report on the Financial Report**

I have audited the accompanying financial report of Ukrainian Elderly People's Home Ltd. trading as Kalyna Care (the entity), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration.

**Directors' Responsibility 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 – Reduced Disclosure Requirements* and the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and for such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

**Independence**

In conducting my audit, I have complied with the independence requirements of the Australian Charities and Not-For-Profits Commission Act 2012. I confirm that the independence declaration required by the Australian Charities and Not-For-Profits Commission Act 2012, provided to the directors of Ukrainian Elderly Peoples Home Ltd. Trading as Kalyna Care, would be in the same terms if provided to the directors as at the date of this auditor's report.

**Auditor's Opinion**

In my opinion the financial report of Ukrainian Elderly People's Home Ltd. trading as Kalyna Care is 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 2016 and of its performance and cash flows for the year ended on 30 June 2016; and
- (b) ii. complying with Australian Accounting Standards- Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.



Frederik R.L. Eksteen

Collins & Co  
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1 September 2016