

The Croatian, Ukrainian & Belarusian Aged Care Association of SA Inc

ABN: 40 077 109 029 NAPS ID 590

Financial Statements

For the Year Ended 30 June 2022

The Croatian, Ukrainian & Belarusian Aged Care Association of SA Inc

ABN: 40 077 109 029

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The Croatian, Ukrainian & Belarusian Aged Care Association of SA Inc

ABN: 40 077 109 029

Board Members' Report 30 June 2022

The Board Members submit their report on The Croatian, Ukrainian & Belarusian Aged Care Association of SA Inc ("the Association") for the financial year ended 30 June 2022.

Board Members

The names of the Board Members throughout the year and at the date of this report are:

Names	Position	Appointed / Resigned
John Sniatynskj	Vice Chairperson	
Natalia Hubczenko	Chairperson	
David Moffatt		
Kruno Batrac		
Denis Stevanja		
Jock Malinowski		Appointed 22 November 2021
Adriano Carbone		Appointed 19 July 2022
Brendan Moran		

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

Principal activities

The principal activities of the Association during the financial year were providing a residential care facility and home care services.

No significant changes in the nature of the Association's activity occurred during the financial year.

Benefits as a result of contracts

During the financial year, there were no benefits received or entitled to be received as a result of a contract between an officer, firm or body corporate and the Association.

Payments and other benefits

No payments or benefits of a pecuniary value were received by any officers of the Association during the financial year.

Operating results

The profit of the Association for the financial year amounted to \$641,527 (2021: \$1,842,736).


Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Association during the year.

Events after the reporting date

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

Signed in accordance with a resolution of the Board Members:

Board Member: 

Board Member: 

Dated 21 October 2022

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE BOARD MEMBERS OF THE CROATIAN, UKRAINIAN & BELARUSIAN
AGED CARE ASSOCIATION OF SA INC**

In accordance with the requirements of subdivision 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, I declare that, to the best of my knowledge and belief, during the audit of The Croatian, Ukrainian & Belarusian Aged Care Association of SA Inc for the year ended 30 June 2022 there have been no contraventions of the independence requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* in relation to the audit.



MOORE AUSTRALIA AUDIT (SA/NT) PTY LTD



STEPHEN CAMILLERI
Director

Adelaide, South Australia
Dated: 21 October 2022

The Croatian, Ukrainian & Belarusian Aged Care Association of SA Inc

ABN: 40 077 109 029

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Income			
Revenue	3	8,346,112	8,679,546
		<u>8,346,112</u>	<u>8,679,546</u>
Expenses			
Facility operating expenses		(409,987)	(326,170)
Medical expenses		(221,147)	(368,983)
General operating expenses		(852,286)	(665,536)
Equipment expenses		(376,936)	(332,627)
Depreciation		(128,607)	(108,745)
Employee benefits expenses		(5,554,300)	(4,814,410)
Other expenses		(161,322)	(220,339)
		<u>(7,704,585)</u>	<u>(6,836,810)</u>
Operating profit for the year		<u>641,527</u>	<u>1,842,736</u>
Fair value loss on investments		(109,612)	-
Loss on revaluation of land and buildings		(1,469,877)	-
Impairment of bed licences		(1,500,000)	(1,500,000)
Profit / (loss) for the year		<u>(2,437,962)</u>	<u>342,736</u>
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Loss on revaluation of land and buildings		(442,304)	-
Total comprehensive income for the year		<u>(2,880,266)</u>	<u>342,736</u>

The accompanying notes form part of these financial statements.

The Croatian, Ukrainian & Belarusian Aged Care Association of SA Inc

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Statement of Financial Position As At 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Cash and cash equivalents	4	4,485,142	7,865,843
Trade and other receivables	5	692,680	1,395,010
Other financial assets	6	2,890,388	-
Other assets	7	36,581	7,960
Property, plant and equipment	8	9,747,278	11,560,664
Intangible assets	9	81,095	1,583,822
Total assets		17,933,164	22,413,299
Liabilities			
Trade and other payables	10	115,588	293,857
Contract liabilities	11	170,156	312,981
Employee benefits	12	489,281	336,412
Other financial liabilities	13	12,910,220	14,341,864
Total liabilities		13,685,245	15,285,114
Net assets		4,247,919	7,128,185
Equity			
Reserves		1,758,400	2,200,704
Retained earnings		2,489,519	4,927,481
Total equity		4,247,919	7,128,185

The accompanying notes form part of these financial statements.

The Croatian, Ukrainian & Belarusian Aged Care Association of SA Inc

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Statement of Changes in Equity For the Year Ended 30 June 2022

	Asset Revaluation Reserve	Grant Establish- ment Reserve	Retained Earnings	Total
	\$	\$	\$	\$
Balance at 30 June 2020	442,304	1,758,400	4,584,745	6,785,449
Profit for the year	-	-	342,736	342,736
Balance at 30 June 2021	442,304	1,758,400	4,927,481	7,128,185
Loss for the year	-	-	(2,437,962)	(2,437,962)
Loss on revaluation of land and buildings	(442,304)	-	-	(442,304)
Balance at 30 June 2022	-	1,758,400	2,489,519	4,247,919

The accompanying notes form part of these financial statements.

The Croatian, Ukrainian & Belarusian Aged Care Association of SA Inc

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Statement of Cash Flows For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from residents, clients and Government		8,412,335	8,218,888
Payments to suppliers and employees		(7,770,440)	(6,391,257)
Interest received		15,018	29,897
Net GST received		155,201	143,621
Net cash flows provided by operating activities		812,114	2,001,149
Cash flows from investing activities			
Purchase of investments		(3,000,000)	-
Purchase of property, plant and equipment		(208,175)	(268,410)
Purchase of intangible assets		(16,500)	(45,534)
Net cash flows (used in) investing activities		(3,224,675)	(313,944)
Cash flows from financing activities			
Proceeds from accommodation bonds		1,560,000	5,497,354
Repayment of accommodation bonds		(2,528,140)	(3,591,844)
Net cash flows provided by / (used in) financing activities		(968,140)	1,905,510
Net increase / (decrease) in cash and cash equivalents held		(3,380,701)	3,592,715
Cash and cash equivalents at beginning of year		7,865,843	4,273,128
Cash and cash equivalents at end of financial year	4	4,485,142	7,865,843

The accompanying notes form part of these financial statements.

The Croatian, Ukrainian & Belarusian Aged Care Association of SA Inc

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Notes to the Financial Statements For the Year Ended 30 June 2022

The financial statements cover The Croatian, Ukrainian & Belarusian Aged Care Association of SA Incorporated as an individual entity. The Croatian, Ukrainian & Belarusian Aged Care Association of SA is a not for profit association incorporated under the ('the Act').

The functional and presentation currency of the Association is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Summary of significant accounting policies

(a) Basis of preparation

These financial statements are general purpose financial statements that have been prepared in accordance with *Australian Accounting Standards - Simplified Disclosures* of the Australian Accounting Standards Board and the *Australian Charities and Not-for-Profit Commission Act 2012*. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The Association has adopted AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* in the current year. Other than changes in disclosure requirements, the adoption of AASB 1060 has no significant impact on the financial statements due to the Association's previous financial statements being prepared in accordance with *Australian Accounting Standards – Reduced Disclosure Requirements*. There was no impact on the recognition and measurement of amounts recognised in the statements of financial position, profit and loss and other comprehensive income and cash flows of the Association as a result of the change in the basis of preparation. The statement of financial position has been prepared on a liquidity basis as this presentation provides more reliable and relevant information.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, unless otherwise stated in the notes. The amounts presented in the financial statements are in Australian Dollars and have been rounded to the nearest dollar.

(b) Revenue and other income

The Association recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Association: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Grant revenue

Grant revenue is recognised in profit or loss when the Association satisfies the performance obligations stated within the funding agreements. If conditions are attached to the grant which must be satisfied before the is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a contract liability until those conditions are satisfied.

The Croatian, Ukrainian & Belarusian Aged Care Association of SA Inc

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Notes to the Financial Statements For the Year Ended 30 June 2022

1 Summary of significant accounting policies (cont)

(b) Revenue and other income

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Interest revenue

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

Donations

Donations and bequests are recognised as revenue when received.

Other income

Other income is recognised when the Association is entitled to it.

(c) Income tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(d) Goods and services tax (GST)

Revenue, 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 payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Financial assets

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

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

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

The Croatian, Ukrainian & Belarusian Aged Care Association of SA Inc

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Notes to the Financial Statements For the Year Ended 30 June 2022

1 Summary of significant accounting policies (cont)

(e) Financial assets (cont)

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

On initial recognition assets are measured at fair value plus transaction costs, except for trade and other receivables which is measured at transaction price.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

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

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss typically will be either be held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative or designated as such upon initial recognition where permitted.

On initial recognition the assets are measured at fair value, not including transaction costs which are expensed as incurred.

Subsequent fair value movements are recognised in profit or loss.

Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Association uses the presumption that a financial asset is in default when the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held).

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Notes to the Financial Statements For the Year Ended 30 June 2022

1 Summary of significant accounting policies (cont)

(e) Financial assets (cont)

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non payment of the receivable and contract work in progress assets and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(g) Trade receivable and other receivables

Trade receivables are initially recognised and measured at transaction price in accordance with the revenue policy. These are not subsequently measured to adjust for an allowance for expected credit losses as the provision matrix based on the Association's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current, and the forecast direction of conditions at the reporting date, including time value of money where appropriate, have assessed there to be no expected credit losses at the reporting date.

(h) Property, plant and equipment

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income.

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

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Notes to the Financial Statements For the Year Ended 30 June 2022

1 Summary of significant accounting policies (cont)

(h) Property, plant and equipment (cont)

Land and buildings

Land and buildings are measured using the revaluation model. Independent valuations are required at least every three years. In years where an independent valuation is not performed, the board will assess whether the value is appropriate.

Plant and equipment

Plant and equipment are measured using the cost model 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 recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

Depreciation

Property, plant and equipment, excluding freehold land and buildings at fair value, is depreciated on a straight line basis over the assets useful life to the Association, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Plant and equipment	5% - 33%
Motor vehicles	25%
Buildings	2.5%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(i) Impairment of non financial assets

At the end of each reporting period the Association determines whether there is an evidence of an impairment indicator for non financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

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Notes to the Financial Statements For the Year Ended 30 June 2022

1 Summary of significant accounting policies (cont)

(j) Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs. Subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The effective interest method is a method calculating the amortised cost of a financial liability and allocating the interest expense over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount of the financial liability.

(k) Trade payable and other payables

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

(l) Accommodation bonds

The Association enters into Right to Occupy Agreements with residents who pay a bond. This liability is recognised in the statement of financial position as a liability under other financial liabilities.

(m) Provisions

Provisions are recognised when the Association 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.

(n) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(o) Contract liabilities

Contract liabilities represent the Association's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Association recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Association has transferred the goods or services to the customer.

The Croatian, Ukrainian & Belarusian Aged Care Association of SA Inc

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Notes to the Financial Statements For the Year Ended 30 June 2022

2 Critical accounting estimates and judgements

The Association make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - valuation of land and buildings

The basis of the valuation of investment property is at fair value. The land and buildings was valued by an independent valuer, Knight Frank Pty Ltd. The valuation is based on current prices in an active market for similar properties of the same location and condition, using the income approach which measures the future economic benefits that the Association can generate by adjusting the annual net income by the determined market yield rate. The significant assumption used was the market capitalisation rate of 5.25% which was based on recent sales of similar properties.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key estimates - fair value of financial assets

Investments in listed investments are measured at fair value using the closing quoted bid prices at the end of the reporting period.

Key estimates - provision for long service leave

The Association assesses that the recognition of all employees with greater than 5 years of service is indicative of the probability adjusted present value of the expected future payments for all employees not yet presently entitled.

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Notes to the Financial Statements For the Year Ended 30 June 2022

3 Revenue	Note	2022 \$	2021 \$
— Interest income		15,018	29,897
— Aged care services		7,281,992	6,882,840
— Donations		-	418
— Income from staff activities		3,801	14,347
— Rental income		13,337	6,000
— Government subsidies		661,323	1,359,431
— Other revenue		370,641	386,613
		<u>8,346,112</u>	<u>8,679,546</u>
4 Cash and cash equivalents			
Cash at bank and in hand		2,360,142	3,940,843
Short term deposits		2,125,000	3,925,000
		<u>4,485,142</u>	<u>7,865,843</u>
Cash and cash equivalents classified as financial assets at amortised cost			
Cash and cash equivalents		4,485,142	7,865,843
Financial assets	19	<u>4,485,142</u>	<u>7,865,843</u>
5 Trade and other receivables			
Trade receivables		75,411	50,287
Bonds receivable		-	1,190,646
GST receivable		13,660	9,911
Other receivables		603,609	144,166
		<u>692,680</u>	<u>1,395,010</u>
Trade and other receivables classified as financial assets at amortised cost			
Trade and interest receivables		679,020	1,385,099
Financial assets	19	<u>679,020</u>	<u>1,385,099</u>
6 Other financial assets			
Investments at fair value through profit and loss		<u>2,890,388</u>	-
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:			
Opening fair value		-	-
Additions		3,000,000	-
Change in fair value movements		(109,612)	-
Closing fair value		<u>2,890,388</u>	-

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Notes to the Financial Statements For the Year Ended 30 June 2022

	2022 \$	2021 \$
7 Other assets		
Prepayments	36,581	7,960
8 Property, plant and equipment		
Land and buildings		
Freehold land		
At fair value	7,030,000	3,919,560
Buildings		
At fair value	2,170,000	6,700,000
At cost	-	384,708
Total buildings	2,170,000	7,084,708
Total land and buildings	9,200,000	11,004,268
Plant and equipment		
Plant and equipment		
At cost	2,004,667	1,904,406
Accumulated depreciation	(1,466,532)	(1,360,201)
Total plant and equipment	538,135	544,205
Motor vehicles		
At cost	43,013	43,013
Accumulated depreciation	(33,870)	(30,822)
Total motor vehicles	9,143	12,191
Total plant and equipment	547,278	556,396
Total property, plant and equipment	9,747,278	11,560,664

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 \$	Buildings \$	Plant and Equipment \$	Motor Vehicles \$	Total \$
Year Ended 30 June 2022					
Balance at the beginning of the year	3,919,560	7,084,708	544,205	12,191	11,560,664
Additions	-	107,913	100,262	-	208,175
Disposals - written down value	-	-	-	-	-
Revaluation	3,110,440	(5,022,621)	-	-	(1,912,181)
Depreciation expense	-	-	(106,332)	(3,048)	(109,380)
Balance at the end of the year	7,030,000	2,170,000	538,135	9,143	9,747,278

The Croatian, Ukrainian & Belarusian Aged Care Association of SA Inc

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Notes to the Financial Statements For the Year Ended 30 June 2022

	2022 \$	2021 \$
9 Intangible assets		
Bed licences		
At fair value	-	1,500,000
Computer software		
At cost	123,534	107,034
Accumulated amortisation	(42,439)	(23,212)
Total computer software	<u>81,095</u>	<u>83,822</u>
Total intangible assets	<u>81,095</u>	<u>1,583,822</u>

Movements in carrying amounts

Movement in the carrying amounts for each class of intangible assets between the beginning and the end of the current financial year:

	Bed Licences \$	Computer Software \$	Total \$
Year Ended 30 June 2022			
Balance at the beginning of the year	1,500,000	83,822	1,583,822
Additions	-	16,500	16,500
Impairment - written down value	(1,500,000)	-	(1,500,000)
Amortisation expense	-	(19,227)	(19,227)
Balance at the end of the year	<u>-</u>	<u>81,095</u>	<u>81,095</u>

10 Trade and other payables

Trade payables	36,908	115,417
Sundry payables and accrued expenses	78,680	178,440
	<u>115,588</u>	<u>293,857</u>

Trade and other payables classified as financial liabilities at amortised cost

Trade and other payables	115,588	293,857
Financial liabilities	<u>115,588</u>	<u>293,857</u>

11 Contract liabilities

Grant received in advance	-	116,189
Service income received in advance	170,156	196,792
	<u>170,156</u>	<u>312,981</u>

The Croatian, Ukrainian & Belarusian Aged Care Association of SA Inc

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Notes to the Financial Statements For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
12 Employee benefits			
Annual leave provision		344,193	210,663
Long service leave provision		145,088	125,749
		<u>489,281</u>	<u>336,412</u>
		Annual \$	Long Service \$
Analysis of total provisions:			Total \$
Opening balance at 1 July 2021		210,663	125,749
Additional provisions raised during the year		283,148	5,199
Amounts used		(149,618)	(135,478)
Balance at the end of the year		<u>344,193</u>	<u>145,088</u>
		2022 \$	2021 \$
13 Other financial liabilities			
Accommodation bonds		<u>12,910,220</u>	<u>14,341,864</u>
Other financial liabilities at amortised cost			
Accommodation bonds		<u>12,910,220</u>	<u>14,341,864</u>
Financial liabilities	19	<u>12,910,220</u>	<u>14,341,864</u>
14 Operating segments			

Identification of reportable segments

The Association has identified its operating segments based on the internal reports that are reviewed and used by the Board in assessing performance and determining the allocation of resources.

The Association is managed primarily on the basis of product category and service offerings as the diversification of the Association's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Types of services by reportable segment

- (i) Residential Aged Care
- (ii) In Home Aged Care

Basis of accounting for purposes of reporting by operating segments

Unless stated below, all amounts reported to the Board, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Association.

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Association as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

The Croatian, Ukrainian & Belarusian Aged Care Association of SA Inc

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Notes to the Financial Statements For the Year Ended 30 June 2022

14 Operating segments (cont)

Segment performance

	Residential Aged Care		In Home Aged Care		Total	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
Revenue						
Interest income	15,018	29,878	-	19	15,018	29,897
Aged care services	5,842,192	5,833,879	1,439,800	1,048,961	7,281,992	6,882,840
Donations	-	418	-	-	-	418
Income from staff activities	3,801	14,347	-	-	3,801	14,347
Rental income	13,337	6,000	-	-	13,337	6,000
Government subsidies	646,823	1,359,431	14,500	-	661,323	1,359,431
Other revenue	309,086	386,583	61,555	30	370,641	386,613
Total segment revenue	6,830,257	7,630,536	1,515,855	1,049,010	8,346,112	8,679,546
Expenses						
Facility operating expenses	(282,572)	(238,853)	(127,415)	(87,317)	(409,987)	(326,170)
Medical expenses	(159,512)	(329,246)	(61,635)	(39,737)	(221,147)	(368,983)
General operating expenses	(562,838)	(407,394)	(289,448)	(258,142)	(852,286)	(665,536)
Equipment expenses	(305,675)	(283,746)	(71,261)	(48,881)	(376,936)	(332,627)
Depreciation	(128,607)	(108,745)	-	-	(128,607)	(108,745)
Employee benefits expenses	(4,770,838)	(4,327,099)	(783,462)	(487,311)	(5,554,300)	(4,814,410)
Other expenses	(155,164)	(213,033)	(6,158)	(7,306)	(161,322)	(220,339)
Total segment expenses	(6,365,206)	(5,908,116)	(1,339,379)	(928,694)	(7,704,585)	(6,836,810)
Operating profit	465,051	1,722,420	176,476	120,316	641,527	1,842,736
Loss on fair value movement of investments	(109,612)	-	-	-	(109,612)	-
Loss on revaluation of land and buildings	(1,469,877)	-	-	-	(1,469,877)	-
Impairment of bed licences	(1,500,000)	(1,500,000)	-	-	(1,500,000)	(1,500,000)
Segment operating result	(2,614,438)	222,420	176,476	120,316	(2,437,962)	342,736

The Croatian, Ukrainian & Belarusian Aged Care Association of SA Inc

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Notes to the Financial Statements For the Year Ended 30 June 2022

14 Operating segments (cont)

Segment position	Residential Aged Care		In Home Aged Care		Total	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
Segment assets						
Cash and cash equivalents	3,077,241	6,895,314	1,407,901	970,529	4,485,142	7,865,843
Trade and other receivables	539,545	1,294,482	153,135	100,528	692,680	1,395,010
Other financial assets	2,890,388	-	-	-	2,890,388	-
Other assets	34,433	7,960	2,148	-	36,581	7,960
Property, plant and equipment	9,747,278	11,560,664	-	-	9,747,278	11,560,664
Intangible assets	81,095	1,583,822	-	-	81,095	1,583,822
Total segment assets	16,369,980	21,342,242	1,563,184	1,071,057	17,933,164	22,413,299
Segment liabilities						
Trade and other payables	107,410	271,830	8,178	22,027	115,588	293,857
Contract liabilities	-	116,189	170,156	196,792	170,156	312,981
Employee benefits	489,281	336,412	-	-	489,281	336,412
Other financial liabilities	12,910,220	14,341,864	-	-	12,910,220	14,341,864
Total segment liabilities	13,506,911	15,066,295	178,334	218,819	13,685,245	15,285,114
Segment position	2,863,069	6,275,947	1,384,850	852,238	4,247,919	7,128,185
					2022	2021
					\$	\$

15 Permitted uses statement

(a) Bond money received

Total of accommodation bond monies received between the period 1 July 2021 to 30 June 2022

1,560,000 5,497,354

(b) Expenditure on permitted uses

Total on capital expenditure
Refunds of bond and entry contribution balances

208,175 313,942
2,528,140 3,591,844
2,736,315 3,905,786

The Croatian, Ukrainian & Belarusian Aged Care Association of SA Inc

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Notes to the Financial Statements For the Year Ended 30 June 2022

16 Related parties

The Association's main related parties are as follows:

(i) Key management personnel:

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

For details of remuneration disclosures relating to key management personnel - refer to Note 17 key management personnel disclosures.

Other transactions with key management personnel and their related entities are shown below.

(ii) Other related parties:

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Transactions with related parties

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

There were no transactions with related parties for the year ended 30 June 2022.

	2022	2021
	\$	\$
17 Key management personnel disclosures		
The aggregate compensation made to key management personnel	<u>548,216</u>	<u>441,344</u>
18 Remuneration of auditors		
Audit of the financial statements	12,000	10,250
Compilation of the financial statements	<u>1,500</u>	<u>1,500</u>
	<u>13,500</u>	<u>11,750</u>

The Croatian, Ukrainian & Belarusian Aged Care Association of SA Inc

ABN: 40 077 109 029

Notes to the Financial Statements For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
19 Financial assets and liabilities			
The Association's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable and bank loans.			
The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:			
Financial assets at amortised cost			
Cash and cash equivalents	4	4,485,142	7,865,843
Trade and other receivables	5	679,020	1,385,099
		<u>5,164,162</u>	<u>9,250,942</u>
Financial assets at fair value through profit or loss			
Other financial assets	6	2,890,388	-
Total financial assets		<u>8,054,550</u>	<u>9,250,942</u>
Financial liabilities at amortised cost			
Trade and other payables	10	115,588	293,857
Accommodation bonds	13	12,910,220	14,341,864
Total financial liabilities		<u>13,025,808</u>	<u>14,635,721</u>

20 Contingencies

The Association did not have any contingencies at 30 June 2022.

21 Events occurring after the reporting date

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

22 Statutory information

The registered office and principal place of business of the Association is:
The Croatian, Ukrainian & Belarusian Aged Care Association of SA Inc
41 Burley Griffin Bvd
Brompton SA 5007

The Croatian, Ukrainian & Belarusian Aged Care Association of SA Inc


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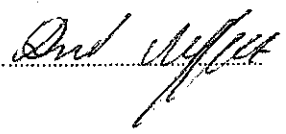
Board Members' Declaration

In the Board Members' opinion:

- (a) There are reasonable grounds to believe that the Association is able to pay all of its debts as and when they become due and payable.
- (b) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

This declaration is made in accordance with a resolution of the Board Members.

Board Member: 

Board Member: 

Dated 21 October 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE CROATIAN, UKRAINIAN & BELARUSIAN AGED CARE ASSOCIATION OF SA INC

Opinion

We have audited the financial report of The Croatian, Ukrainian & Belarusian Aged Care Association of SA Inc ("the Association") which comprises the Statement of Financial Position as at 30 June 2022, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, Notes to the Financial Statements, including a summary of significant accounting policies, and the Board Members' Declaration.

In our opinion, the accompanying financial report of The Croatian, Ukrainian & Belarusian Aged Care Association of SA Inc is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2022 and of its financial performance and its cash flows for the year then ended; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulations 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 Association in accordance with the auditor independence 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. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The Board is responsible for the other information. The other information comprises the Board Members' Report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE CROATIAN, UKRAINIAN & BELARUSIAN AGED CARE ASSOCIATION OF SA INC (CONT)

The Board's Responsibility for the Financial Report

The Board of The Croatian, Ukrainian & Belarusian Aged Care Association of SA Inc are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*. This responsibility includes such internal control as the Board determines is necessary to enable the preparation of the financial report that gives a true and fair view so that it is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Association 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.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



MOORE AUSTRALIA AUDIT (SA/NT) PTY LTD



Stephen Camilleri
Director

Adelaide, South Australia
Dated: 21 October 2022