

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

ABN 40 077 109 029 NAPS ID: 590

Financial Statements

For the Year Ended 30 June 2015

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

ABN 40 077 109 029 NAPS ID 590

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For the Year Ended 30 June 2015

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

ABN 40 077 109 029 NAPS ID: 590

**Board Report
For the Year Ended 30 June 2015**

The board members submit the financial report of the Association for the financial year ended 30 June 2015.

1. General information

Board members

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

Rob Dempsey	Chairperson (appointed 2 February 2015)
Peter Kurko (deceased 13 January 2015)	Chairperson
Natalia Hubczenko	Vice Chairperson
David Moffatt	Treasurer
Mick Brock	Secretary
John Sniatynskj	
Delfa Lolic	
Kruno Batrac	
Ted Davis (appointed 3 March 2015)	

Principal activities

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

Significant changes

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

2. Operating result for the year

The deficit of the Association for the financial year amounted to \$(47,865) [2014: \$ (124,083)].

Signed in accordance with a resolution of the Members of the Board:

Board member: 

Board member: 

Dated this 9TH day of OCTOBER 2015

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

ABN 40 077 109 029 NAPS ID: 590

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2015

	Note	2015 \$	2014 \$
Revenue	4	4,683,987	3,254,859
Administration expenses		(129,746)	(131,858)
Facility operating expenses		(503,445)	(348,859)
Medical expenses		(165,370)	(90,112)
Regulatory expenses		(22,073)	(4,493)
General operating expenses		(242,648)	(205,268)
Equipment expenses		(317,591)	(209,102)
Motor vehicle expenses		(9,138)	(9,785)
Contractor expenses		(69,239)	(20,611)
Payroll expenses		(3,170,252)	(2,275,663)
Other staff expenses		(103,218)	(79,229)
Gain/(losses) on sale of non-current assets		868	(3,962)
Deficit for the year		(47,865)	(124,083)
Other comprehensive income, net of income tax		-	-
Total comprehensive loss for the year		(47,865)	(124,083)

The accompanying notes form part of these financial statements.

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

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Statement of Financial Position

As At 30 June 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	3,977,828	865,410
Trade and other receivables	7	990,558	3,631,989
Current tax receivable	14	11,785	22,668
Other assets	8	53,985	53,504
TOTAL CURRENT ASSETS		5,034,156	4,573,571
NON-CURRENT ASSETS			
Property, plant and equipment	9	10,759,097	10,720,844
Intangible assets	10	5,500,000	5,500,000
TOTAL NON-CURRENT ASSETS		16,259,097	16,220,844
TOTAL ASSETS		21,293,253	20,794,415
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	192,543	215,986
Borrowings	12	10,402,082	9,868,764
Employee benefits	13	277,510	240,682
TOTAL LIABILITIES		10,872,135	10,325,432
NET ASSETS		10,421,118	10,468,983
EQUITY			
Reserves		4,341,144	4,341,144
Accumulated surplus		6,079,974	6,127,839
TOTAL EQUITY		10,421,118	10,468,983

The accompanying notes form part of these financial statements.

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

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Statement of Changes in Equity

For the Year Ended 30 June 2015

2015

	Accumulated Surplus	Asset Revaluation Reserve	Establishment Grant Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2014	6,127,839	2,582,744	1,758,400	10,468,983
Deficit attributable to members of the entity	(47,865)	-	-	(47,865)
Balance at 30 June 2015	6,079,974	2,582,744	1,758,400	10,421,118

2014

	Accumulated Surplus	Asset Revaluation Reserve	Establishment Grant Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2013	6,251,922	2,582,744	1,758,400	10,593,066
Deficit attributable to members of the entity	(124,083)	-	-	(124,083)
Balance at 30 June 2014	6,127,839	2,582,744	1,758,400	10,468,983

The accompanying notes form part of these financial statements.

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

ABN 40 077 109 029

Statement of Cash Flows
For the Year Ended 30 June 2015

	2015	2014
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from residents, clients and government	4,438,346	3,031,181
Payments to suppliers and employees	(4,510,844)	(3,192,555)
Interest received	115,380	86,981
Net cash provided by/(used in) operating activities	<u>42,882</u>	<u>(74,393)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	15,013	23,445
Purchase of property, plant and equipment	(250,486)	(4,685,944)
Net cash used by investing activities	<u>(235,473)</u>	<u>(4,662,499)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	5,618,512	3,900,630
Repayment of borrowings	(2,313,503)	(2,891,279)
Net cash used by financing activities	<u>3,305,009</u>	<u>1,009,351</u>
Net increase/(decrease) in cash and cash equivalents held	3,112,418	(3,727,541)
Cash and cash equivalents at beginning of year	865,410	4,592,951
Cash and cash equivalents at end of financial year	6 <u>3,977,828</u>	<u>865,410</u>

The accompanying notes form part of these financial statements.

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

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Notes to the Financial Statements

For the Year Ended 30 June 2015

The Croatian, Ukrainian & Belarusian Aged Care Association of SA Incorporated is a not-for-profit Association incorporated and domiciled in South Australia under the *Associations Incorporation Act 1985* ('the Act').

The financial statements are presented in Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The Croatian, Ukrainian & Belarusian Aged Care Association of SA Incorporated Inc applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements and other applicable Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Associations Incorporation Act 1985* and the *Australian Charities and Not-for-profits Commission Act 2012*.

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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) Fair value of assets and liabilities

The association measures some of its assets at fair value on a recurring basis.

Fair value is the price the association would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

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

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at reporting date (ie the market that maximises the receipts from the sale of the asset or minimises the payment made to transfer the liability, after taking into account transaction costs and transport costs).

Notes to the Financial Statements

For the Year Ended 30 June 2015

2 Summary of Significant Accounting Policies continued

(b) Fair value of assets and liabilities continued

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

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(c) 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 of losses.

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. Buildings are not depreciated where significant expenses are incurred in maintaining their condition

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.

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

Fixed asset class	Depreciation rate
Plant and Equipment	20-30%
Motor Vehicles	25%

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.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and it taken to profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2015

2 Summary of Significant Accounting Policies continued

(d) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the Association, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(e) Financial instruments

Initial recognition and measurement

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

Financial instruments are subsequently measured at either 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 in an arm's length transaction. 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:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) 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
- (d) 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.

Notes to the Financial Statements

For the Year Ended 30 June 2015

2 Summary of Significant Accounting Policies continued

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

The Association does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, 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 group 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.

(ii) 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 year.

(iii) 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 Association'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 be realised within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the Association sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be sold within 12 months after the end of the reporting period.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

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Notes to the Financial Statements

For the Year Ended 30 June 2015

2 Summary of Significant Accounting Policies continued

Borrowings are classified as current liabilities unless the Association has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the association recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised when the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged or cancelled, or have expired. The difference between the carrying amount of the financial liability 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.

(f) Impairment of non-financial assets

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

Notes to the Financial Statements

For the Year Ended 30 June 2015

2 Summary of Significant Accounting Policies continued

(g) Intangible Assets

Bed licences

Bed licences carried at market value based on an independent valuation to be performed at least every three years. The value of licences acquired are initially brought in through income as a contribution. Subsequent revaluations will be brought recorded directly in equity in a reserve, to the extent that the value is not lower than the initial contribution recognised.

(h) 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 twelve months 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 national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Association does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

(i) 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.

(j) Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

(k) 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 accommodation bonds. The liabilities are held at face value and are considered to be current as the association does not have an unconditional right to defer settlement of the liability for at least 12 months after balance sheet date.

Notes to the Financial Statements

For the Year Ended 30 June 2015

2 Summary of Significant Accounting Policies continued

(l) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(m) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

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.

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 is recognised using the effective interest method.

Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

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

(n) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (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.

Notes to the Financial Statements

For the Year Ended 30 June 2015

2 Summary of Significant Accounting Policies continued

(n) Goods and Services Tax (GST) continued

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.

(o) Accounts payable and other payables

Accounts 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.

(p) 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.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

3 Critical Accounting Estimates and Judgments

Those charged with governance 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 - impairment of property, plant and equipment

The Association assesses impairment at the end of each reporting period by evaluating conditions specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - property held at fair value

An independent valuation of property (land and buildings) carried at fair value-in-use was obtained on 30 June 2015. Those charged with governance have reviewed this valuation and accepted it as accurate. The valuation is an estimation which would only be realised if the property is sold whilst maintaining the operations and licences of the organisation.

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.

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

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Notes to the Financial Statements

For the Year Ended 30 June 2015

	2015	2014
	\$	\$
4 Revenue and Other Income		
	Note	
Revenue		
- interest income	115,380	86,981
- dividend income	-	833
- facilities and associated charges	1,342,057	882,254
- operating grants	3,219,997	2,278,866
- donations	1,320	-
- income from staff activities	1,970	5,525
- other income	3,263	400
	<u>4,683,987</u>	<u>3,254,859</u>
5 Key Management Personnel Disclosures		
The total remuneration paid to key management personnel of the Association and the Association is \$374,367 (2014: \$288,018).		
Other key management personnel transactions		
For details of other transactions with key management personnel, refer to Note 19: Related Party Transactions.		
6 Cash and Cash Equivalents		
Cash at bank and in hand	927,828	865,410
Short-term bank deposits	3,050,000	-
	21 <u>3,977,828</u>	<u>865,410</u>
7 Trade and Other Receivables		
Trade receivables	59,428	46,644
Bonds receivable	775,499	3,460,012
Other receivables	155,631	125,333
	<u>990,558</u>	<u>3,631,989</u>
Financial assets classified as loans and receivables		
Trade and other receivables		
- total current	990,558	3,631,989
Financial assets	21 <u>990,558</u>	<u>3,631,989</u>
8 Other Assets		
Prepayments	<u>53,985</u>	<u>53,504</u>

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

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Notes to the Financial Statements

For the Year Ended 30 June 2015

	2015	2014
	\$	\$
9 Property, Plant and Equipment		
LAND AND BUILDINGS		
Freehold land		
At independent valuation	3,560,000	3,560,000
Buildings		
At independent valuation	6,700,000	6,658,515
Total land and buildings	<u>10,260,000</u>	<u>10,218,515</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	1,270,735	1,176,547
Accumulated depreciation	<u>(815,957)</u>	<u>(711,339)</u>
	<u>454,778</u>	<u>465,208</u>
Furniture, fixtures and fittings		
At cost	1,352	1,352
Accumulated depreciation	<u>(1,352)</u>	<u>(1,352)</u>
	<u>-</u>	<u>-</u>
Motor vehicles		
At cost	65,664	57,037
Accumulated depreciation	<u>(21,345)</u>	<u>(19,916)</u>
	<u>44,319</u>	<u>37,121</u>
Computer equipment		
At cost	7,189	7,189
Accumulated depreciation	<u>(7,189)</u>	<u>(7,189)</u>
	<u>-</u>	<u>-</u>
Total plant and equipment	<u>499,097</u>	<u>502,329</u>
Total property, plant and equipment	<u>10,759,097</u>	<u>10,720,844</u>

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 & Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2015					
Balance at the beginning of year	3,560,000	6,658,515	465,208	37,121	10,720,844
Additions	-	41,485	94,188	35,442	171,115
Disposals - written down value	-	-	-	(14,154)	(14,154)
Depreciation expense	-	-	(104,618)	(14,090)	(118,708)
Balance at the end of the year	<u>3,560,000</u>	<u>6,700,000</u>	<u>454,778</u>	<u>44,319</u>	<u>10,759,097</u>

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

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Notes to the Financial Statements

For the Year Ended 30 June 2015

	2015	2014
	\$	\$
10 Intangible Assets		
	Note	
Bed licences		
At valuation	<u>5,500,000</u>	5,500,000
Movements in carrying amounts of intangible assets		Bed licences
		\$
Balance at the beginning of the year		5,500,000
Additions		-
Revaluation recognised in equity		-
Revaluation recognised in income		-
Closing value at 30 June 2015		<u>5,500,000</u>
11 Trade and Other Payables		
Unsecured liabilities		
Trade payables	114,036	160,488
Sundry payables and accrued expenses	78,507	55,498
	<u>192,543</u>	<u>215,986</u>
Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables:		
- total current	192,543	215,986
Financial liabilities as trade and other payables	21	<u>192,543</u>
		<u>215,986</u>
12 Borrowings		
Unsecured liabilities:		
Accommodation bonds held	10,115,721	8,847,978
Retentions received in advance	286,361	413,773
	<u>10,402,082</u>	<u>9,261,751</u>
Secured liabilities:		
Bank loan	-	607,013
Total current borrowings	21	<u>10,402,082</u>
		<u>9,868,764</u>
13 Employee Benefits		
Long service leave	171,486	142,204
Annual leave	106,024	98,478
	<u>277,510</u>	<u>240,682</u>

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

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Notes to the Financial Statements

For the Year Ended 30 June 2015

	2015	2014
	\$	\$
14 Tax		
GST receivable	<u>11,785</u>	<u>22,668</u>

15 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 of Directors (chief operating decision makers) 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 products and services by reportable segment

- (i) Residential Aged Care Facility
- (ii) Aged Home Care Services

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted

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

(b) Segment assets

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.

(c) Segment liabilities

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 Incorporated

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Notes to the Financial Statements

For the Year Ended 30 June 2015

15 Operating Segments continued

(d) Segment performance

	Residential Aged Care Facility		Aged Home Care Services		Total	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
REVENUE						
Operating grants	2,917,859	1,879,533	302,139	399,333	3,219,998	2,278,866
Facilities and associated charges	1,216,119	797,157	38,078	35,749	1,254,197	832,906
Bond retentions	87,179	49,348	-	-	87,179	49,348
Interest	115,380	86,981	-	-	115,380	86,981
Donations	1,320	-	-	-	1,320	-
Insurance claims	680	-	-	-	680	-
Other income	5,233	6,758	-	-	5,233	6,758
Total segment revenue	4,343,770	2,819,777	340,217	435,082	4,683,987	3,254,859
Care employee expenses	(2,966,574)	(2,014,161)	-	-	(2,966,574)	(2,014,161)
Other employee expenses	-	-	(260,804)	(301,806)	(260,804)	(301,806)
Administration expenses	(124,108)	(126,534)	(5,638)	(5,324)	(129,746)	(131,858)
Facility operating expenses	(500,005)	(343,905)	(3,440)	(4,954)	(503,445)	(348,859)
Medical expenses	(157,038)	(81,432)	(8,332)	(8,680)	(165,370)	(90,112)
General operating expenses	(234,065)	(166,581)	(54,674)	(77,613)	(288,739)	(244,194)
Equipment expenses	(190,442)	(140,008)	(8,419)	(11,710)	(198,861)	(151,718)
Depreciation	(100,566)	(37,814)	(18,164)	(19,570)	(118,730)	(57,384)
Gains/(losses) on sale of non-current assets	868	(3,962)	-	-	868	(3,962)
Other expenses	(94,952)	(28,889)	(5,499)	(6,000)	(100,451)	(34,889)
Total segment expenses	(4,366,882)	(2,943,286)	(364,970)	(435,657)	(4,731,852)	(3,378,943)
Segment operating result	(23,112)	(123,508)	(24,753)	(575)	(47,865)	(124,083)

(e) Segment assets

Cash and cash equivalents	3,966,486	848,226	11,342	17,184	3,977,828	865,410
Trade and other receivables	908,591	3,579,994	81,968	51,995	990,559	3,631,989
Tax receivable	11,785	22,668	-	-	11,785	22,668
Other assets	53,985	53,504	-	-	53,985	53,504
Total segment current assets	4,940,847	4,504,392	93,310	69,179	5,034,157	4,573,571
Property, plant and equipment	10,759,097	10,720,844	-	-	10,759,097	10,720,844
Bed licences	5,500,000	5,500,000	-	-	5,500,000	5,500,000
Total segment assets	21,199,944	20,725,236	93,310	69,179	21,293,254	20,794,415

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

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Notes to the Financial Statements

For the Year Ended 30 June 2015

2015
\$

2014
\$

15 Operating Segments continued

(f) Segment liabilities

	Residential Aged Care Facility		Aged Home Care Services		Total	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
Trade and other payables	62,978	215,660	129,566	326	192,544	215,986
Accommodation bonds held	10,115,721	8,847,978	-	-	10,115,721	8,847,978
Retentions payable	286,361	413,773	-	-	286,361	413,773
Employee benefits	277,510	240,682	-	-	277,510	240,682
Loan	-	607,013	-	-	-	607,013
Total segment liabilities	10,742,570	10,325,106	129,566	326	10,872,136	10,325,432

16 Permitted Uses Statement

(a) Bond money received

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

2,184,000 6,383,260

(b) Expenditure on permitted uses

Total on capital expenditure

171,115 3,816,741

Refunds of bond and entry contribution balances

1,666,257 2,891,279

1,837,372 6,708,020

17 Contingencies

In the opinion of the Board, the Association did not have any contingencies at 30 June 2015 (30 June 2014:None).

18 Events Occurring 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.

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

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Notes to the Financial Statements

For the Year Ended 30 June 2015

19 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.

(a) **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 entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 5: Key Management Personnel Remuneration.

(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.

(b) **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.

20 Change in Accounting Policy

The Association has revalued its land, buildings and bed licences as at 30 June 2015 and applied the changes retrospectively to comparative balances for consistency with the amended policies per Note 2.

The aggregate effect of the change in accounting policy on the comparative information for the annual financial statements for the year ended 30 June 2015 is as follows:

	Previously stated	2014 Adjustments	Restated
	\$	\$	\$
Income Statement			
Equipment expenses (depreciation)	281,602	(72,500)	209,102
Deficit for the year	(196,583)	72,500	(124,083)
Balance Sheet			
Intangible assets	-	5,500,000	5,500,000
Property, plant & equipment	12,087,658	(1,366,814)	10,720,844
Asset revaluation reserve	4,022,058	(1,439,314)	2,582,744
Accumulated surplus	555,339	5,572,500	6,127,839

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

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Notes to the Financial Statements

For the Year Ended 30 June 2015

	2015	2014
	\$	\$

21 Financial Risk Management

The Association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable and bank loans.

The totals 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:

	Note		
Financial Assets			
Cash and cash equivalents	6	3,977,828	865,410
Loans and receivables	7	990,558	3,631,989
Total financial assets		<u>4,968,386</u>	<u>4,497,399</u>
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables	11	192,543	215,986
Borrowings	12	10,402,082	9,868,764
Total financial liabilities		<u>10,594,625</u>	<u>10,084,750</u>

22 Fair Value Measurement

The Association has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after initial recognition.

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

- Land and buildings

Recurring fair value measurements

Land and buildings	10,260,000	10,218,515
Bed licences	5,500,000	5,500,000
Total	<u>15,760,000</u>	<u>15,718,515</u>

For land & buildings and bed licences, the fair value has been determined as detailed in Note 3.

23 Association Details

The registered office of the association is:

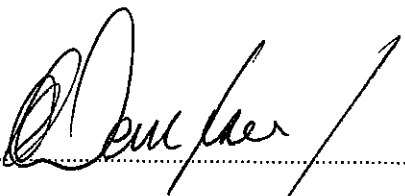
The Croatian, Ukrainian & Belarusian Aged Care Association of SA Incorporated
41 Burley Griffin Boulevard
Brompton SA 5007

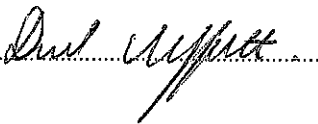
Statement by the Members of the Board

In the opinion of the board the financial report as set out on pages 3 to 21:

1. Present fairly the results of the operations of The Croatian, Ukrainian & Belarusian Aged Care Association of SA Incorporated as at 30 June 2015 and its state of affairs for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that The Croatian, Ukrainian & Belarusian Aged Care Association of SA Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the board and is signed for and on behalf of the board by:

Board member 

Board member 

Dated this 9TH day of OCTOBER 2015



Hayes Knight
Accountants, Advisers & Auditors

Hayes Knight (SA) Audit & Assurance Pty Ltd
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Authorised Audit Company
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The Croatian, Ukrainian & Belarusian Aged Care Association of SA Incorporated
ABN 40 077 109 029 NAPS ID: 590

Independent Audit Report to the members of The Croatian, Ukrainian & Belarusian Aged Care Association of SA Incorporated

Report on the Financial Report

We have audited the accompanying financial report of The Croatian, Ukrainian & Belarusian Aged Care Association of SA Incorporated, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the members of the board of the entity and the consolidated entity comprising the entity and the entities it controlled at the year's end or from time to time during the financial year.

Board's Responsibility for the Financial Report

The board is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, *Associations Incorporation Act 1985*, *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as management determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgement, 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 management, as well as evaluating the overall presentation of the financial report.

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

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of The Croatian, Ukrainian & Belarusian Aged Care Association of SA Incorporated and its subsidiaries, as at 30 June 2015, and their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards, the *Associations Incorporation Act 1985* and the *Australian Charities and Not-for-profits Commission Act 2012*.

Hayes Knight (SA) Audit & Assurance Pty Ltd

Graeme Rodda
Director
Adelaide

10 October 2015

