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 2017

The Croatian, Ukrainian & Belarusian Aged Care Association of SA Incorporated
ABN 40 077 109 029 NAPS ID 590

Contents
For the Year Ended 30 June 2017

The Croatian, Ukrainian & Belarusian Aged Care Association of SA Incorporated
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Board Report
For the Year Ended 30 June 2017

The board members submit the financial report of the Association for the financial year ended 30 June 2017.

1. General information

Board members

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

Rob Dempsey	Chairperson
Natalia Hubczenko	Vice Chairperson
John Sniatynskj	Vice Chairperson
David Moffatt	Treasurer
Delfa Lolic	
Kruno Batrac	
Ted Davis	
Denis Stevanja	

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 surplus/(deficit) of the Association for the financial year amounted to $14,153 [2016: $261,406].

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

Board member: .... Board member: ....

Dated this ....20TH.... day of ....OCTOBER.... 2017

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

ABN 40 077 109 029

Auditors Independence Declaration under Section 60-40 Australian Charities and Not-for-profits Commission Act 2012 to the Board of The Croatian, Ukrainian & Belarusian Aged Care Association of SA Incorporated

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

MOORE STEPHENS

Graeme Rodda
Director

20 October 2017

Adelaide

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2017

	Note	2017 $	2016 $
Revenue	4	**5,336,395**	5,292,254
Administration expenses		**(103,937)**	(96,249)
Facility operating expenses		**(565,601)**	(585,972)
Medical expenses		**(329,028)**	(275,205)
Regulatory expenses		**(5,575)**	(10,441)
General operating expenses		**(247,025)**	(223,033)
Equipment expenses		**(305,650)**	(326,231)
Motor Vehicle expenses		**(5,416)**	(10,031)
Contractor expenses		**(51,561)**	(31,138)
Payroll expenses		**(3,643,730)**	(3,377,575)
Other staff expenses		**(68,488)**	(94,973)
Gain on sale of non-current assets		**3,769**	-
Surplus for the year		**14,153**	261,406
Other comprehensive income		**-**	-
Total comprehensive income for the year		**14,153**	261,406

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 Financial Position

As At 30 June 2017

	Note	2017 $	2016 $
ASSETS			
Cash and cash equivalents	6	**6,716,781**	4,572,913
Trade and other receivables	7	**450,120**	650,905
Current tax receivable	8	**10,563**	16,872
Other assets	9	**33,922**	50,216
Intangible assets	11	**5,500,000**	5,500,000
Property, plant and equipment	10	**10,909,037**	10,822,784
TOTAL ASSETS		**23,620,423**	21,613,690
LIABILITIES			
Trade and other payables	12	**241,308**	242,052
Employee benefits	13	**277,132**	272,557
Borrowings	14	**12,405,306**	10,416,557
TOTAL LIABILITIES		**12,923,746**	10,931,166
NET ASSETS		**10,696,677**	10,682,524
EQUITY			
Reserves		**4,341,144**	4,341,144
Accumulated surplus		**6,355,533**	6,341,380
TOTAL EQUITY		**10,696,677**	10,682,524

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 30 June 2017

2017

	Accumulated Surplus	Asset Revaluation Reserve	Establishment Grant Reserve	Total
	$	$	$	$
Balance at 1 July 2016	6,341,380	2,582,744	1,758,400	10,682,524
Surplus attributable to members of the entity	14,153	-	-	14,153
Balance at 30 June 2017	6,355,533	2,582,744	1,758,400	10,696,677

2016

	Accumulated Surplus	Asset Revaluation Reserve	Establishment Grant Reserve	Total
	$	$	$	$
Balance at 1 July 2015	6,079,974	2,582,744	1,758,400	10,421,118
Surplus attributable to members of the entity	261,406	-	-	261,406
Balance at 30 June 2016	6,341,380	2,582,744	1,758,400	10,682,524

Statement of Cash Flows
For the Year Ended 30 June 2017

	Note	2017 $	2016 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from residents, clients and government		**5,134,944**	5,116,912
Payments to suppliers and employees		**(5,213,253)**	(4,938,243)
Interest received		**139,621**	134,975
Net cash provided by operating activities		**61,312**	313,644
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		**14,838**	-
Purchase of property, plant and equipment		**(204,322)**	(174,360)
Net cash used by investing activities		**(189,484)**	(174,360)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		**5,340,000**	2,874,499
Repayment of borrowings		**(3,067,960)**	(2,418,698)
Net cash provided by financing activities		**2,272,040**	455,801
Net increase in cash and cash equivalents held		**2,143,868**	595,085
Cash and cash equivalents at beginning of year		**4,572,913**	3,977,828
Cash and cash equivalents at end of financial year	6	**6,716,781**	4,572,913

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 30 June 2017

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, Ukranian & 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 - Reduced Disclosure Requirements 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. The statement of financial position has been prepared on a liquidity basis as this presentation provides more reliable and relevant information.

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 2017

2 Summary of Significant Accounting Policies

(b) Fair value of assets and liabilities

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.

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 that 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.

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies

(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 2017

2 Summary of Significant Accounting Policies

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.

2 Summary of Significant Accounting Policies

(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.

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.

Notes to the Financial Statements
For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies

(f) 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 goodwill, 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, except for goodwill.

(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 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 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.

(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.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 **Summary of Significant Accounting Policies**

(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.

(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.

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

Grant revenue

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.

2 Summary of Significant Accounting Policies

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.

Gain on disposal of non-current assets

When a non-current asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

Other income

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

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised using the effective interest method.

(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.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies

(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.

(q) Adoption of new and revised accounting standards

The Association has adopted all standards which became effective for the first time at 30 June 2017, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association.

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.

Notes to the Financial Statements
For the Year Ended 30 June 2017

4 Revenue and Other Income

	Note	2017 $	2016 $
Revenue			
- interest income		**139,621**	134,975
- facilities and associated charges		**1,367,773**	1,512,467
- operating grants		**3,803,803**	3,631,098
- donations		**1,031**	1,593
- income from staff activities		**18,683**	3,405
- other income		**5,484**	8,716
		5,336,395	5,292,254

5 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Association is $ $448,950 (2016: $ $457,419).

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

	Note	2017 $	2016 $
Cash at bank and in hand		**841,780**	322,913
Short-term deposits		**5,875,001**	4,250,000
	20	**6,716,781**	4,572,913

7 Trade and Other Receivables

	Note	2017 $	2016 $
Trade receivables		**131,723**	89,685
Bonds receivable		**250,000**	450,000
Other receivables		**68,397**	111,220
Total current trade and other receivables		**450,120**	650,905

Financial assets classified as loans and receivables

	Note	2017 $	2016 $
Trade and other receivables			
- total current		**450,120**	650,905
Financial assets as loans and receivables	20	**450,120**	650,905

8 Tax

	2017 $	2016 $
GST receivable	**10,563**	16,872

9 Other Assets

	2017 $	2016 $
Prepayments	**33,922**	50,216

Notes to the Financial Statements
For the Year Ended 30 June 2017

	2017 $	2016 $
10 Property, Plant and Equipment		
LAND AND BUILDINGS		
Freehold land		
At fair value	**3,560,000**	3,560,000
Buildings		
At fair value	**6,700,000**	6,700,000
At cost	**180,641**	74,854
Total buildings	**6,880,641**	6,774,854
Total land and buildings	**10,440,641**	10,334,854
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	**1,434,304**	1,378,782
Accumulated depreciation	**(1,019,808)**	(924,271)
Total plant and equipment	**414,496**	454,511
Motor vehicles		
At cost	**78,455**	65,664
Accumulated depreciation	**(24,555)**	(32,245)
Total motor vehicles	**53,900**	33,419
Total plant and equipment	**468,396**	487,930
Total property, plant and equipment	**10,909,037**	10,822,784

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 2017					
Balance at the beginning of year	3,560,000	6,774,854	454,511	33,419	10,822,784
Additions	-	105,787	55,521	43,014	204,322
Disposals	-	-	-	(11,069)	(11,069)
Depreciation expense	-	-	(95,536)	(11,464)	(107,000)
Balance at the end of the year	3,560,000	6,880,641	414,496	53,900	10,909,037

Notes to the Financial Statements
For the Year Ended 30 June 2017

		2017 $	2016 $
11 Intangible Assets			
Bed licenses			
At valuation		**5,500,000**	5,500,000

Movements in carrying amounts of intangible assets

	Bed licenses $
Year ended 30 June 2017	
Balance at the beginning of the year	**5,500,000**
Additions	-
Revaluation decrease	-
Revaluation increase	-
Closing value at 30 June 2017	**5,500,000**

	Note	2017 $	2016 $
12 Trade and Other Payables			
Trade payables		**55,781**	100,114
Sundry payables and accrued expenses		**185,527**	141,938
		241,308	242,052

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

	Note	2017 $	2016 $
Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables:			
- total current		**241,308**	242,052
Financial liabilities as trade and other payables	20	**241,308**	242,052

	2017 $	2016 $
13 Employee Benefits		
Long service leave	**179,971**	177,017
Annual leave	**97,161**	95,540
	277,132	272,557
14 Borrowings		
Unsecured liabilities:		
Accommodation bonds held	**12,318,064**	10,246,024
Retentions received in advance	**87,242**	170,533
Total current borrowings	**12,405,306**	10,416,557

Notes to the Financial Statements
For the Year Ended 30 June 2017

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 of Directors, 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.

Income tax expense is calculated based on the segment operating net profit using a notional charge of 30%. The effect of taxable or deductible temporary differences is not included for internal reporting purposes.

(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.

Notes to the Financial Statements
For the Year Ended 30 June 2017

15 Operating Segments

(d) Segment performance

	Residential Aged Care Facility 2017 $	Residential Aged Care Facility 2016 $	Aged Home Care Services 2017 $	Aged Home Care Services 2016 $	Total 2017 $	Total 2016 $
REVENUE						
Operating grants	**3,414,296**	3,294,534	**389,506**	336,565	**3,803,802**	3,631,099
Facilities and associated charges	**1,294,411**	1,423,136	**64,566**	57,523	**1,358,977**	1,480,659
Bond retentions	**56,484**	77,130	**-**	-	**56,484**	77,130
Interest	**139,621**	134,975	**-**	-	**139,621**	134,975
Donations	**1,031**	1,593	**-**	-	**1,031**	1,593
Insurance claims	**312**	1,678	**-**	-	**312**	1,678
Other income	**27,937**	43,901	**-**	8,219	**27,937**	52,120
Total segment revenue	**4,934,092**	4,976,947	**454,072**	402,307	**5,388,164**	5,379,254
Care employee expenses	**(3,332,345)**	(3,236,691)	**(311,384)**	(265,780)	**(3,643,729)**	(3,502,471)
Administration expenses	**(99,928)**	(91,235)	**(4,009)**	(12,103)	**(103,937)**	(103,338)
Facility operating expenses	**(555,566)**	(581,633)	**(10,035)**	(4,339)	**(565,601)**	(585,972)
Medical expenses	**(310,436)**	(255,257)	**(18,592)**	(19,948)	**(329,028)**	(275,205)
General operating expenses	**(210,107)**	(166,973)	**(84,919)**	(106,048)	**(295,026)**	(273,021)
Equipment expenses	**(181,528)**	(179,140)	**(16,944)**	(36,417)	**(198,472)**	(215,557)
Depreciation	**(88,642)**	(110,674)	**(18,535)**	-	**(107,177)**	(110,674)
Other expenses	**(126,070)**	(45,610)	**(4,971)**	(6,000)	**(131,041)**	(51,610)
Total segment expenses	**(4,904,622)**	(4,667,213)	**(469,389)**	(450,635)	**(5,374,011)**	(5,117,848)
Segment operating result	**29,470**	309,734	**(15,317)**	(48,328)	**14,153**	261,406

(e) Segment assets

	Residential Aged Care Facility 2017 $	Residential Aged Care Facility 2016 $	Aged Home Care Services 2017 $	Aged Home Care Services 2016 $	Total 2017 $	Total 2016 $
Cash and cash equivalents	**6,700,319**	4,549,145	**16,462**	23,768	**6,716,781**	4,572,913
Trade and other receivables	**432,141**	582,174	**17,979**	68,731	**450,120**	650,905
Tax receivable	**10,563**	16,872	**-**	-	**10,563**	16,872
Other assets	**33,922**	50,216	**-**	-	**33,922**	50,216
	7,176,945	5,198,407	**34,441**	92,499	**7,211,386**	5,290,906
Property, plant & equipment	**10,909,037**	10,822,783	**-**	-	**10,909,037**	10,822,783
Bed licences	**5,500,000**	5,500,000	**-**	-	**5,500,000**	5,500,000
Total segment assets	**23,585,982**	21,521,190	**34,441**	92,499	**23,620,423**	21,613,689

Notes to the Financial Statements
For the Year Ended 30 June 2017

	2017	2016
	$	$

15 Operating Segments

(f) Segment liabilities

	Residential Aged Care Facility		Aged Home Care Services		Total	
	2017	2016	2017	2016	2017	2016
	$	$	$	$	$	$
Trade and other payables	**226,352**	180,745	**14,956**	115,774	**241,308**	296,519
Accommodation bonds held	**12,318,064**	10,246,024	**-**	-	**12,318,064**	10,246,024
Retentions payable	**87,242**	170,533	**-**	-	**87,242**	170,533
Employee benefits	**277,132**	272,556	**-**	-	**277,132**	272,556
Total segment liabilities	**12,908,790**	10,869,858	**14,956**	115,774	**12,923,746**	10,985,632

16 Permitted Uses Statement

(a) Bond money received

	2017	2016
Total of accommodation bond monies received between the period 1 July to 30 June	**5,340,000**	2,874,499

(b) Expenditure on permitted uses

	2017	2016
Total on capital expenditure	**204,322**	174,360
Refunds of bond and entry contribution balances	**3,067,960**	2,418,698
	3,272,282	2,593,058

17 Contingencies

In the opinion of the Board, the Association did not have any contingencies at 30 June 2017 (30 June 2016: 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.

Notes to the Financial Statements

For the Year Ended 30 June 2017

	2017	2016
	$	$

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 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.

(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.

The following transactions occurred with related parties:

20 Financial Risk Management

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 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2017 $	2016 $
Financial Assets			
Cash and cash equivalents	6	**6,716,781**	4,572,913
Loans and receivables	7	**450,120**	650,905
Total financial assets		**7,166,901**	5,223,818
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables	12	**241,308**	242,052
At amortised cost	14	**12,405,306**	10,416,557
Total financial liabilities		**12,646,614**	10,658,609

Notes to the Financial Statements
For the Year Ended 30 June 2017

21 Retrospective restatement

Subsequent to the completion of the 2016 financial report, due to a change in laws pertaining to care package monies, amounts were identified as payable to the government as at 30 June 2016.

The aggregate effect of the adjustment on the annual financial statements for the year ended 30 June 2017 is as follows:

	Previously stated	30 June 2016 Adjustments	Restated
	$	$	$
Statement of Profit or Loss and Other Comprehensive Income			
Revenue	5,353,561	(61,307)	5,292,254
Statement of Financial Position			
Trade and other payables	180,745	61,307	242,052

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.

	2017	2016
	$	$
Recurring fair value measurements		
Land and buildings	**10,440,641**	10,334,854
Bed licences	**5,500,000**	5,500,000
Total	**15,940,641**	15,834,854

For land & buildings and bed licences, the fair value has been determined as detailed in Note 2(g) and 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

The Croatian, Ukrainian & Belarusian Aged Care Association of SA Incorporated
ABN 40 077 109 029 NAPS ID: 590

Statement by the Members of the Board

In the opinion of the board the financial report as set out on pages 3 - 23:

1. Present fairly the results of the operations of The Croatian, Ukrainian & Belarusian Aged Care Association of SA Incorporated as at 30 June 2017 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 ....20TH.... day of ....OCTOBER.... 2017

MOORE STEPHENS

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

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Croatian, Ukrainian & Belarusian Aged Care Association of SA Incorporated (the Association), which comprises the statement of financial position as at 30 June 2017, 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, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the board.

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

(i) giving a true and fair view of the Association's financial position as at 30 June 2017 and of its financial performance and its cash flows for the year ended; and

(ii) complying with Australian Accounting Standards.

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 ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

MOORE STEPHENS

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the 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 management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

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.

MOORE STEPHENS

Graeme Rodda

Adelaide

23 October 2017