

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

A.B.N. 57 006 305 844

GENERAL PURPOSE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

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DIRECTORS' REPORT

DIRECTORS' REPORT

The Directors present their report on the Company for the financial year ended 30 June 2023.

The principal activities of the company remain:

- enabling Kalyna Care to continue to be the provider of choice for the Ukrainian and broader East European and multicultural community,
- continuing to embrace its Ukrainian heritage and remain true to the vision set by our founding members,
- providing turnover, cash flow and surplus to meet the financial objectives of the company.

However, the COVID pandemic which began in 2020 and more specifically the outbreak at Kalyna Care, has severely impacted the company's operations and finances since that time. In subsequent years less serious outbreaks have occurred in the facility which we managed successfully due to stringent infection control measures, higher vaccination rates of residents and increased herd immunity. During the reported year, the company continued incurring expenditure for infection prevention control.

Impact on Key Performance Indicators

1. Service Outcomes

The service outcomes for the 2023 financial year were in accordance with standards set for the delivery of Aged Care Services. In October 2022, a new funding model called Australian National Aged Care Classification (AN-ACC) was introduced by Department of Health and Age Care as per Aged Care Royal Commission's recommendation. According to this new funding model, funding has been significantly increased. As per the Royal Commission's recommendation, a minimum care minutes requirement was introduced and from the 1st of October 2023, it is mandatory to implement this requirement. Currently, Kalyna Care as well as the wider Aged Care Industry is facing challenges to meet this requirement due to a shortage of available skilled employees.

2. Operating Surplus

During the year, the company achieved a significant turnaround despite several challenges. Total Comprehensive surplus for the financial year was \$496,807. This year there were also several COVID-19 outbreaks. Due to increased immunization and reduced severity of the COVID-19 strain, community confidence has increased. Now, families are more accepting of sending their loved ones to Aged Care homes for better care and for their wellbeing. This was witnessed during the year in a significant increase of resident numbers. Further, In October 2022, a new wing was opened for residents. Kalyna Care now has the capacity to look after 144 residents at any given time. As of 30th June 2023, 126 residents were under our care. During the year staff costs increased significantly due to the increased number of residents and the signing of a new EBA with the Health Union. Food cost and other operating expenses also increased significantly due to general price increases in the market and the increased number of residents. Interest expenses increased during the year, which prompted our settlement of \$7M with the bank due to increased interest rates.

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3. Cash Flow from Operating Activities

Net cash inflow from operating activities for the financial year was \$1.2 million, which was an increment compared to the last year net cash outflow of \$2.2 million. This significant cash inflow from operating activities was due to increased Government Grants and resident fees.

4. Compliance

- a) The company has complied with the requirements of the Aged Care Act, all Aged Care Quality Standards, Work Health and Safety requirements, Employment and Environmental reviews.
- b) The company maintained full compliance with all covenant requirements imposed by external financiers with mortgage debt of \$ 7,753,077 as at 30th June 2023. (\$ 14,670,000 as at 30 June 2022).

5. Objectives of the Company

The company’s long-term objectives as outlined in our Strategic Plan remain based on:

- continuing to build an awareness and resources to promote residential care services for the Ukrainian and Eastern European community,
- to remain financially sustainable and
- to grow the company operations in accordance with member and community interests.

Our post-COVID recovery, together with the completion of our expansion project, means that strategic planning, whilst still providing objectives, needs to give priority to consolidation of our operational efforts to rebuild occupancy and services over the next financial year.

The company commenced its 40-bed building extension project in Sept 2019. Due to the COVID-19 outbreak, construction works were significantly delayed and building works were finally completed in Jul 2021. This capital project was funded via debt, equity, and government grants. Federal and state governments contributed \$3.8M toward this project.

Membership Details

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

Membership

Membership for the financial year was 62 (2022 - 42).

Membership Class	Number of Members
Life Members	5
Ordinary Members (who paid membership fees for the year ended 30 June 2022)	57
Total	62

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DIRECTORS' REPORT

Directors Information

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

Director's Name	Board Sub-Committee Responsibilities	Period as Director	Qualifications and Experience
Dr. Igor Jakubowicz Chair	Chair Remuneration and Nominations. Capital Projects, Audit, Risk and Compliance,	Appointed 28/04/2016. Appointed Chair 25/11/2021	Dr Jakubowicz's associations and qualifications include L.Mus.A.(AMEB); MBBS (Melbourne); MFM (Monash); G.D.For.Med. (Monash); GAICD; MRACGP; GCTravelMed (JCU); Asst Clin Prof UCSD. Igor is a full-time general practitioner with extensive aged-care experience, and over 20 years' experience as director in various roles of not-for-profit community health organisations.
Basil Chamula Deputy Chair	Capital Projects, Remuneration & Nomination	Appointed 24/04/2013. Appointed Deputy Chair 25/11/2021	B.Sc. (Monash); B.Ec (Latrobe); MHA (UNSW). Is the Executive Director of Sovereign Health, 10 years' experience as a clinical biochemist, 5 years' experience as a Manager Human Resources at Royal Children's Hospital. Director, General Services & Special Projects (RCH), 20 years' experience as an independent consultant in management of diagnostic services, 5 years' experience as a manager and director of private health and hospital services.
Roman Chamula	Governance (Chair from Aug 2019)	Appointed 19/11/2017	Managing Director of Corporate Documentation Solutions, with 29 years' experience in providing documentation and training solutions for IT system implementations for large corporate clients and government departments. Specific experience in business process change management in the mining, energy, manufacturing, retail and government sectors. Previously, more than 10 years' experience in industrial corporate communications and public relations.
Luba Pryslak	Clinical Governance (Chair)	Appointed 10/11/2019	General Manager of an aged care facility in Geelong; member of Multicultural Action Plan Advisory Committee City of Greater Geelong; member of ACSA (Industry peak body - Aged and Community Services

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DIRECTORS' REPORT

			Australia) Residential Services Advisory Committee. Committee member of the Association of Ukrainians in Victoria – Geelong Branch. Bachelor of Health Science (Nursing); MBA.
Roman Rozek	Audit Risk and Compliance	Appointed 15/11/2020	Chartered Accountant; Professional member of CPA; Tax Agent; Registered Auditor SMSF; Public Practice certificate.
Greg Lubczenko		Appointed 27/05/2022	Degrees in Law and Commerce (Marketing) from the Australian National University. Over 10 years' experience as a Commonwealth public servant with experience across communications, governance and government stakeholder engagement, including three years working in a Cabinet minister's office. Currently an executive officer at the Department of Veterans' Affairs.

Meetings of Directors

During the financial year, 10 (Ten) ordinary scheduled meetings of Directors were held and the attendances by each Director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Dr. Igor Jakubowicz (Chair)	10	10
Basil Chamula (Deputy Chair)	10	10
Roman Chamula	10	10
Roman Rozek	10	10
Luba Pryslak	10	10
Greg Lubczenko	10	9

Note: In addition, Board Members participated in a number of additional meetings, including a day of strategic planning, as and when required.

Changes in state of affairs

There was no significant change in the situation of the company during the financial year.

Subsequent events

There has not been any matter or circumstance occurring after the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of its operations, or the state of affairs of the company in future financial years.

Future developments

While there has been some long-term view discussion amongst Board members regarding possible future improvements and investments, our primary aim for the 23/24 year is to consolidate our 22/23 gains and stabilize.

In 22/23, we increased our resident numbers from 88 in July 22 to 126 in June 23 with an expanded facility capacity of 144. We also paid down virtually \$7M of debt during the year. Subsequent to the year-end we further paid down the loan by \$ 3.1 M.

It is important that we focus our primary effort on consolidating this improvement, improving the resident count to around 140 and further reducing our debt.

Once we achieve a stable operation at that level, with little or no significant debt, the Board will contemplate further development and investment.

Whether that occurs in 23/24, 24/25 or beyond will depend on operating results. And when we do consider further development, we will have options both on the current Kalyna Care site in Delahey or other options may present themselves beyond our current site.

Indemnification of officers and auditors

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as named above), the company secretary, and all executive officers of the company against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as an officer or auditor.

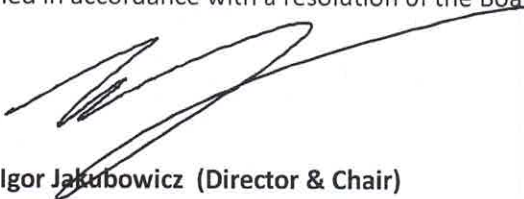
Proceedings on behalf of the company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2023 has been received and is included in this report on Page 6.

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


Dr. Igor Jakubowicz (Director & Chair)

23rd day of October 2023


Basil Chamula (Director & Deputy Chair)

24th day of October 2023



Assured Super Pty Ltd
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**AUDITOR'S INDEPENDENCE DECLARATION
UNDER 60-40 OF THE AUSTRALIAN CHARITIES AND
NOT-FOR-PROFITS COMMISSION ACT 2012
TO THE DIRECTORS OF
UKRAINIAN ELDERLY PEOPLE'S HOME LTD. TRADING AS KALYNA CARE
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I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been:

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

Assured Super Pty Ltd

**Sharif Eldebs
Principal**

Dated this day of 24 October 2023

832 High Street
East Kew VIC 3102

Ukrainian Elderly People's Home Ltd.**A.B.N. 57 006 305 844****Statement Of Profit or Loss & Statement of Comprehensive Income***For the year ended 30 June 2023*

	Note	2023	2022
		\$	\$
Continuing operations			
Income			
Resident Fees		3,686,484	2,143,916
Government Subsidies		9,577,339	5,542,204
Donations		1,300	6,010
Interest Received		114,812	4,071
Grants Received		389,706	1,629,970
Miscellaneous Income		133,822	101,917
	2	13,903,463	9,428,088
Expenses			
Overheads		1,747,483	2,345,648
Utilities		265,200	195,682
Food		531,355	364,499
Employee Benefits	3	8,489,392	7,354,729
Repairs & Maintenance		238,114	201,113
Depreciation & Amortisation	4	1,233,764	805,245
Interest Expenses		901,348	898,191
		13,406,655	12,165,107
Surplus/ (Deficit) for the year		496,807	(2,737,019)
Other Comprehensive Income/ (Expenses)			
Gain on revaluation of property		-	2,669,871
Total Comprehensive Surplus/ (Deficit) for the year		496,807	(67,149)

The Statement of comprehensive Income should be read in conjunction with the accompanying notes and the auditor's report.

Ukrainian Elderly People's Home Ltd.
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Statement Of Financial Position
As at 30 June 2023

	Note	2023	2022
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents	5	610,954	1,203,417
Trade and other receivables	6	280,548	112,110
Financial Assets	7	3,827,343	1,572,931
Other Assets	8	226,627	51,796
Total Current Assets		<u>4,945,472</u>	<u>2,940,254</u>
Non-Current Assets			
Financial Assets	7	-	-
Property, Plant & Equipment	9	37,599,593	38,448,948
Total Non-Current Assets		<u>37,599,593</u>	<u>38,448,948</u>
Total Assets		<u>42,545,065</u>	<u>41,389,202</u>
Liabilities			
Current Liabilities			
Trade and other payables	10	613,151	556,082
Borrowings	11	27,133,639	15,849,157
Provisions	12	1,190,481	1,343,867
Other Liabilities	13	371,854	421,262
Total Current Liabilities		<u>29,309,125</u>	<u>18,170,368</u>
Non-Current Liabilities			
Borrowings	11	-	10,454,763
Provisions	12	48,820	73,757
Total Non-Current Liabilities		<u>48,820</u>	<u>10,528,520</u>
Total Liabilities		<u>29,357,945</u>	<u>28,698,888</u>
Net Assets		<u>13,187,120</u>	<u>12,690,313</u>
Equity			
Assets Revaluation Reserve		6,002,240	6,002,240
Bequest Reserve	14	752,824	752,824
Accumulated Funds		6,432,056	5,935,249
Total Equity		<u>13,187,120</u>	<u>12,690,313</u>

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

Ukrainian Elderly People's Home Ltd.**A.B.N. 57 006 305 844****Statement Of Changes in Equity***For the year ended 30 June 2023*

2023	Assets			Total Equity
	Accumulated Funds	Revaluation Reserve	Bequest Reserve	
	\$	\$	\$	\$
Total Equity At The Beginning Of The Financial Year	5,935,249	6,002,240	752,824	12,690,313
Total Comprehensive Surplus for the year	496,807	-	-	496,807
Transfer to bequest reserve	-	-	-	-
Total Equity At The End Of The Financial Year	6,432,056	6,002,240	752,824	13,187,120

2022	Assets			Total Equity
	Accumulated Funds	Revaluation Reserve	Bequest Reserve	
	\$	\$	\$	\$
Total Equity At The Beginning Of The Financial Year	8,672,268	3,332,369	752,824	12,757,461
Total Comprehensive Surplus for the year	(2,737,019)	2,669,871	-	(67,149)
Transfer to bequest reserve	-	-	-	-
Total Equity At The End Of The Financial Year	5,935,249	6,002,240	752,824	12,690,313

The Statement of Changes in Equity should be read in conjunction with the accompanying notes and the auditor's report.

Ukrainian Elderly People's Home Ltd.**A.B.N. 57 006 305 844****Statement Of Cash Flow**

For the Year Ended 30 June 2023

	<i>Note</i>	2023	2022
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Government Subsidies and Grant		9,942,740	7,568,376
Resident Fees Received		3,448,389	2,331,710
Interest and Investment Income Received		114,812	4,071
Other Receipts		137,242	108,987
Total Receipts		<u>13,643,182</u>	<u>10,013,145</u>
Employee Expenses Paid		(8,529,820)	(7,681,830)
Payments for Supplies and Consumables		(2,995,374)	(3,683,333)
Finance Costs		(901,348)	(860,644)
Total Payments		<u>(12,426,543)</u>	<u>(12,225,806)</u>
Net cash Flows from operating activities	17	<u>1,216,639</u>	<u>(2,212,662)</u>
Cash Flows from Investing Activities			
Purchase of Property, plant and equipment		(384,409)	(370,878)
Investment in term deposit		(2,044,313)	-
Net cash Flows used in investing activities		<u>(2,428,722)</u>	<u>(370,878)</u>
Cash Flows from Financing Activities			
Receipts of Accommodation Deposits		10,985,000	3,008,720
Repayment of Resident Unit Bonds/ Accommodation Deposits		(3,160,237)	(520,780)
Proceeds from Mortgage Loans		-	1,251,627
Repayment of Mortgage Loans		(6,995,044)	-
Net cash Flows used in financing activities		<u>829,719</u>	<u>3,739,567</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		(382,364)	1,156,028
Cash and cash equivalents at beginning of Year		2,776,348	1,620,320
Cash and cash equivalents at End of Year	5	<u><u>2,393,984</u></u>	<u><u>2,776,348</u></u>

The Statement of Cash Flow should be read in conjunction with the accompanying notes and the auditor's report.

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

Note 1. Statement of Significant Accounting Policies

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

The presentation currency used in these financial statements is Australian dollars (\$). Amounts in these financial statements are stated in Australian dollars unless otherwise noted.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and the disclosure requirements in AASB 1060 of the Australian Accounting Standards Board (AASB) and the ACNC Act 2012. The company is a not-for-profit company for financial reporting purposes under Australian Accounting Standards.

The Company does not have 'public accountability' as defined in AASB 1053 Application of Tiers of Australian Accounting Standards and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for Land and Buildings that are measured at revalued amounts at the end of every third reporting period.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events, and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

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

Going Concern

The financial report of the entity has been prepared on the going concern basis. The Company considers the going concern basis appropriate notwithstanding the following facts:

As at 30 June 2023, the statement of financial position shows a deficit in working capital (current assets less current liabilities) of \$ 24,363,653 (2022: \$15,230,115).

Current liabilities include resident funded loans in the form of residents' entry contributions, accommodation bonds and refundable accommodation deposits (RAD's) totaling to \$18,939,378 (2022: 11,113,033) which are repayable at call, subject to applicable conditions. Historical turnover

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

statistics indicate that only a small percentage of resident funded loans are likely to be required to be repaid within the next twelve months. Of the RAD liability of \$18.939m, management of the company has identified only \$2.10m payable in next 12 months (2022: \$2.23m). The balance RAD are expected to be rolled over or replaced by new residents in the normal course of the business;

Current liabilities include borrowings of \$ 7,753,077 (2022; \$ 14,748,121) which will be due for repayment in April 2024. Directors believe the expected cash flow from operations and future incoming RADs are sufficient to meet the repayment of this loan. Further, the company has been repaying these loans in advance before the due date. Subsequent to the year end, the total outstanding loan balance was further reduced by repayment of \$ 3.1m. Given the repayment history and improvement in company's financial performance, the directors believe the entity is in a better position to negotiate for an extension of the loan due date if required.

All the above liabilities have been recorded in the financial report as at 30 June 2023.

The entity considers the going concern basis appropriate as it has developed projected cash flows and forecasts, which incorporate the effect of the above prospective events and transactions. The results of these projections resulting in an operating profit and reflects a positive operating cash flow in the future.

The ability of the entity to continue as a going concern and to pay debts as and when they fall due is dependent on performance levels meeting expectations outlined in the budget and the achievement of the above targets. The Directors are satisfied the entity will be able to pay its debts when they fall due and therefore the use of the going concern basis of accounting is appropriate.

Should the company not achieve expected performance levels and/or not achieve the above targets, they may be required to realise their assets and extinguish their liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the company be unable to continue as a going concern

a. Property, Plant and Equipment

Property

Land and Buildings

Land and buildings are stated at fair value less subsequent accumulated depreciation and impairment for building. Revaluation is performed once at least every 3 years, by an external independent valuer so that the carrying amounts do not differ materially from is fair value. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and Equipment

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

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

Class of Fixed Asset	Depreciation Rate
Buildings and Building Improvements	2.50% - 10%
Furniture and Fixtures	20% - 30%
Office Equipment	20% - 40%
Plant and Equipment	20% - 30%
Motor Vehicles	10% - 20%

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

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

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

b. Impairment of Assets

At each reporting date, the company reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

c. Leases

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

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

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

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

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

d. Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sale of the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

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

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

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

Financial assets at fair value through the profit & loss

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

Loans and receivables

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

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

Held-to-maturity investments.

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

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

Financial liabilities

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

Fair value

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

Impairment

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

Derecognition

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

e. Employee Benefits

Short term benefits

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

Long term benefits

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

Superannuation

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

f. Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

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

g. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities in the statement of financial position.

h. Revenue

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

Resident Fees

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

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

The Company applies Australian Accounting Standards AASB 15 and AASB 1058.

AASB 15 involves the use of a five-step recognition model for recognising revenue, the steps are:

Step 1 – Identify the contract with the customer

Step 2 – Identify the sufficiently specific performance obligations to be satisfied

Step 3 – Measure the expected consideration

Step 4 – Allocate that consideration to each of the performance obligations in the contract

Step 5 – Recognise revenue

AASB 1058 measures income by reference to the fair value of the asset received. The asset received, which could be a financial or non-financial asset, is initially measured at fair value when the consideration paid for the asset is significantly less than fair value, and that difference is principally to enable the entity to further its objectives. Otherwise, assets acquired are recognised at cost.

Where the asset has been measured at fair value, AASB 1058 requires that elements of other Accounting Standards are identified before accounting for the residual component. These standards are:

- AASB 15 Revenue from Contracts with Customers
- AASB 16 Leases
- AASB 137 Provisions, Contingent Liabilities & Contingent Assets
- AASB 9 Financial Instruments

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Retention Fees

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

Government Subsidies

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

Government Grants

Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in profit or loss in the period in which they become receivable.

Interest Revenue

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

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

i. Trade & Other Payables

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

j. Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

k. Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

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Cash flows are presented on a net basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows excluded from the receipts from customers or the payments to suppliers.

I. Taxes

Income Tax

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

Land Tax

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

Payroll Tax

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

Stamp Duty

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

m. Fair Value Measurement

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

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

n. Accommodation Bonds and Refundable Accommodation Deposits (RAD)

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

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

o. Comparative Figures

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

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

p. Critical Accounting Estimates and Judgments

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

Employee Benefits

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

Impairment of Assets

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

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

Useful Lives of Depreciable Assets

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

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	<i>Note</i>	2023	2022
		\$	\$
Note 2 REVENUE FROM CONTINUING OPERATIONS			
ORDINARY ACTIVITIES			
Resident Fees		3,686,484	2,143,916
Government Subsidies	2a	9,577,339	5,542,204
Donations		1,300	6,010
Interest Received		114,812	4,071
Government Grants	2a	389,706	1,629,970
Miscellaneous Income		133,822	101,917
TOTAL		13,903,463	9,428,088

Miscellaneous Income mainly consists of Workcover reimbursements of \$117,836 (2022: \$85,359) and various other sundry income.

Note 2a Government Grants

Department of Health and Aged Care- AN-ACC (2022-ACFI)	9,577,339	5,542,204
Department of Health - Commonwealth Government	387,706	1,627,970
Multicultural Affairs-Victorian Government	2,000	2,000
	9,967,045	7,172,174

Note 3 EMPLOYEE BENEFIT EXPENSE

Wages and salaries	7,645,243	6,590,217
Superannuation	729,882	585,058
Other employment costs (includes Workcover and oncosts)	114,267	179,454
	8,489,392	7,354,729

Note 4 DEPRECIATION AND AMORTISATION EXPENSES

Depreciation and Amortisation was charged in respect of:

Buildings & Improvements	957,281	489,270
Furniture & Fixtures	131,008	145,013
Office Equipment	14,236	22,502
Plant & Equipment	117,515	114,687
Motor Vehicles	9,352	9,352
Computer Software	4,372	11,224
Work-in-Progress	-	13,197
	1,233,764	805,245

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Note 5 CASH AND CASH EQUIVALENTS		
Cash on hand	272	263
Cash at bank	610,682	1,203,154
	<u>610,954</u>	<u>1,203,417</u>

Cash deposits earn interest of 2.20% per annum for balances of \$ 50,000 or over.

The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement as follows:

Balances as above	610,954	1,203,417
Add Investments (see Note 7)	1,783,030	1,572,931
Balances per cash flow statement	<u>2,393,984</u>	<u>2,776,348</u>

Note 6 TRADE AND OTHER RECEIVABLES

Resident Fees - from non related parties	231,714	86,595
Accrued Income	20,755	-
Net GST Recoverable	28,079	25,515
	<u>280,548</u>	<u>112,110</u>

The average credit period for resident fee is 30 days. No interest is charged on outstanding trade receivables

Note 7 FINANCIAL ASSETS

Current

Term of Investment - 3 months	1,783,030	1,572,931
Term of Investment - 4 months	527,359	-
Term of Investment - 6 months	1,016,954	-
Term of Investment - 9 months	500,000	-
	<u>3,827,343</u>	<u>1,572,931</u>
Total Financial Assets	<u>3,827,343</u>	<u>1,572,931</u>

All investments are at call or term deposits held with Dnister Ukrainian Credit Co-Operative Limited. These investments are currently earning between 3.8% and 4.8% per annum.

Note 8 OTHER ASSETS

Prepayments	226,627	51,796
	<u>226,627</u>	<u>51,796</u>

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

Note 9	PROPERTY, PLANT & EQUIPMENT	2023	2022
		\$	\$
	Land		
	At Cost	-	-
	Less Accumulated Depreciation	-	-
		<u>-</u>	<u>-</u>
	Land & Building		
	Land & Buildings - At Fair Value	38,033,963	37,995,000
	Less Accumulated Depreciation	(957,280)	-
		<u>37,076,683</u>	<u>37,995,000</u>
	Furniture & Fixtures		
	At Cost	1,325,649	1,278,449
	Less Accumulated Depreciation	(1,152,577)	(1,021,569)
		<u>173,072</u>	<u>256,880</u>
	Office Equipment		
	At Cost	285,020	264,746
	Less Accumulated Depreciation	(258,017)	(243,780)
		<u>27,003</u>	<u>20,966</u>
	Plant & Equipment		
	At Cost	950,627	673,152
	Less Accumulated Depreciation	(648,819)	(531,801)
		<u>301,808</u>	<u>141,351</u>
	Motor Vehicles		
	At Cost	117,817	117,817
	Less Accumulated Depreciation	(97,456)	(88,105)
		<u>20,361</u>	<u>29,712</u>
	Computer Software		
	Computer Software		
	At Cost	62,290	62,290
	Less Accumulated Depreciation	(61,624)	(57,251)
		<u>666</u>	<u>5,039</u>
	Capital Works in Progress		
	At Cost	-	-
	Less Accumulated Depreciation	-	-
		<u>-</u>	<u>-</u>
	Total Property, Plant & Equipment	<u><u>37,599,593</u></u>	<u><u>38,448,948</u></u>

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

2023	Land, Buildings & Improvements	Furniture & Fixtures	Office Equipment	Plant & Equipment	Motor Vehicle	Computer Software	Capital Works in Progress	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
Carrying amount at 1/7/22	37,995,000	256,880	20,966	141,351	29,712	5,039	0.00	38,448,947
Additions	38,964	47,200	20,274	277,972	-	-	-	384,410
Disposals/ Transfers	-	-	-	-	-	-	-	-
*Revaluations	-	-	-	-	-	-	-	-
Depreciation/Amortisation	(957,281)	(131,008)	(14,236)	(117,515)	(9,352)	(4,373)	-	(1,233,764)
Carrying amount at 30/6/23	37,076,683	173,072	27,003	301,808	20,361	666	0.00	37,599,593

2022	Land, Buildings & Improvements	Furniture & Fixtures	Office Equipment	Plant & Equipment	Motor Vehicle	Computer Software	Capital Works in Progress	TOTAL
Carrying amount at 1/7/21	19,463,769	265,726	35,615	226,535	39,064	16,263	16,166,471	36,213,443
Additions	16,350,631	136,167	7,853	29,502	-	-	197,357	16,721,510
Disposals/ Transfers	-	-	-	-	-	-	(16,350,631)	(16,350,631)
*Revaluations	2,669,870	-	-	-	-	-	-	2,669,870
Depreciation/Amortisation	(489,270)	(145,013)	(22,502)	(114,687)	(9,352)	(11,224)	(13,197)	(805,245)
Carrying amount at 30/6/22	37,995,000	256,880	20,966	141,351	29,712	5,039	0.00	38,448,947

*The revaluation of the land and buildings as at 30 June 2022 was based on an independent valuation by PP&E Valuations Pty Ltd.

The independent valuer is not related to the company and is a members of the Australian Property Institute (API), and he has appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations.

The valuation conforms to the Accounting Standard AASB 116 Property, Plant and Equipment, and valuations have been calculated in accordance with Accounting Standard AASB 13 Fair Value Measurement, International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

Assets pledged as security

Freehold land and buildings with a carrying amount of \$ 37.08 million (2022: \$ 37.99 million) have been pledged to secure borrowings of the entity. The entity is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

2023	2022
\$	\$

10 TRADE AND OTHER PAYABLES

Current

Accrued Expenses	336,305	236,166
Payables	163,395	244,219
PAYG Withholding Tax	113,451	75,697
	<u>613,151</u>	<u>556,082</u>

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

UKRAINIAN ELDERLY PEOPLE'S HOME LTD. TRADING AS KALYNA CARE**A.B.N. 57 006 305 844****NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023**

11 BORROWINGS	2023	2022
	\$	\$
Current		
Refundable Accommodation Deposit - RAD	16,842,633	8,883,007
Accommodation Bonds - Residents	2,098,395	2,231,675
Accommodation Bonds - Independent Living Units	439,534	441,117
Mortgage Loans	7,753,077	4,293,358
	<u>27,133,639</u>	<u>15,849,157</u>
Non Current		
Mortgage Loans	-	10,454,763
	<u>-</u>	<u>10,454,763</u>
Total Borrowings	<u>27,133,639</u>	<u>26,303,920</u>

The mortgage loans are secured by Registered Mortgages over property situated at 344 Taylors Road, Delahey VIC 3037 and Registered General Security Agreement fixed/floating charge over all assets, including Aged Care licences / Accreditation.

(a)

Kalyna Care has entered into Mortgage loan agreement during 2019/20 financial year amounting to \$ 10.4 million with the Dnister Ukrainian Credit Co-Operative Ltd, Community First Credit Union, Southwest Credit and G&C Mutual Bank to finance the construction of 40 bed Aged Care Facility at Kalyna Care site. Outstanding loan balance as at 30th June 2023 was \$ 7.75 million (2022; 10.40 million). During 2022/23 financial year, \$ 2,701,686 was paid against this loan. The loan is repayable on or before 01/03/2024. Two additional loans, amounting to \$ 4.27 million obtained during 2021/22 financial year were fully paid during this financial year.

The average effective interest rate on bank loan approximates 7.30% (2022: 6.75 %) per annum and is determined based on business Interest only loan variable rate.

(b) Covenant requirements.

The Company is required to maintain a minimum liquidity balance of 10% of Refundable Accommodation Deposit and submission of various reports on regular basis.

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Note 12 PROVISIONS		
Current - Employee Benefits		
Annual Leave	555,368	658,533
Long Service Leave	635,113	685,334
	<u>1,190,481</u>	<u>1,343,867</u>
Non-Current - Employee Benefits		
Long Service Leave	48,820	73,757
	<u>48,820</u>	<u>73,757</u>
Provision for Annual Leave		
Balance at the beginning of the year	658,533	627,175
Amount charged to the provision during the year	(620,297)	(466,403)
Amount provided during the year	517,132	497,761
Balance at end of the year	<u>555,368</u>	<u>658,533</u>
Provision for Long Service Leave		
Balance at the beginning of the year	759,091	809,277
Amount charged to the provision during the year	(114,152)	(81,782)
Amount provided during the year	38,994	31,596
Balance at end of the year	<u>683,933</u>	<u>759,091</u>
Note 13 OTHER LIABILITIES		
Current		
Government Subsidy paid in advance (a)	25,227	213,349
Income received in advance	338,602	202,008
Prepaid membership fees	8,025	5,905
	<u>371,854</u>	<u>421,262</u>
(a) Government Subsidy paid in advance		
Deferred Income	25,227	106,225
Prepaid -ACFI	-	107,123
	<u>25,227</u>	<u>213,349</u>
Note 14 BEQUEST RESERVE		
The Late Ms Maja Hrudka	532,754	532,754
The Late Mrs Bohdanna Tarnawsky	32,786	32,786
The Late Mrs Oresta Lenkiwska	171,784	171,784
The Late Ms Pauline Laba	500	500
The late Ms Tamara Rokitianskyj	10,000	10,000
The late Ms Maria Boluch	5,000	5,000
	<u>752,824</u>	<u>752,824</u>
Note 15 KEY MANAGEMENT PERSONNEL COMPENSATION		
Key management personnel compensation	637,451	640,286

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	2023	2022
	\$	\$
Note 16 REMUNERATION OF AUDITORS		
Amount received, or due and receivable, by the auditors of this facility for the following:		
Accountants and Advisers	18,500	17,500
	18,500	17,500
Note 17 RECONCILIATION OF INCREASE / (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS TO NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES		
Total profit / (loss) for the year	496,807	(2,737,019)
Provision for Doubtful Debts	45,000	-
Depreciation	1,233,764	805,244
	1,278,765	805,245
<u>Change in operating assets and liabilities</u>		
Decrease (Increase) in trade and other receivables	(190,119)	(10,472)
Decrease (Increase) in accrued income	(20,755)	136,100
Decrease (Increase) in other debtors	(2,564)	157,339
Decrease (Increase) in other assets	(174,831)	(18,613)
Increase (Decrease) in trade and other payables	57,069	(789,540)
Increase (Decrease) in other creditors	(49,408)	276,574
Increase (Decrease) in provisions	(178,323)	(32,277)
	(558,933)	(280,889)
Net cash inflow (outflow) from operating activities	1,216,639	(2,212,662)

Note 18. RELATED PARTIES

Ukrainian Elderly People's Home is a stand alone entity. Therefore, there is no parent entity or subsidiaries.

All Directors are working in an honorary capacity hence no payments have been made during this financial year for their services.

Other than the amounts reported in Note 15 - Key Management personnels, the entity has not entered into any transactions with related parties.

Note 19. MEMBERS GUARANTEE

The company is limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards meeting outstanding obligations of the company. At 30 June 2023 the number of members was 62 (2022 - 42) .

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

Note 20. COMPANY DETAILS

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

Note 21. CONTINGENT LIABILITIES

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

Note 22. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the year end, the company has further repaid down outstanding bank loan of \$ 7.75 m by \$ 3.1 m.

Other than the above, there are no material subsequent events that are not disclosed elsewhere in the financial statements.

Note 23. FINANCIAL RISK MANAGEMENT

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

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements are as follows:

		2023	2022
		\$	\$
Financial assets			
Cash and cash equivalents	5	610,954	1,203,417
Trade and other receivables	6	280,548	112,110
Financial assets- held to maturity investments	7	3,827,343	1,572,931
Total financial assets		<u>4,718,845</u>	<u>2,888,458</u>
Financial liabilities			
Financial liabilities at amortised cost			
Trade and other payables	10	613,151	556,082
Borrowings	11	27,133,639	26,303,920
Other Liabilities	13	371,854	421,262
Total financial liabilities		<u>28,118,644</u>	<u>27,281,264</u>

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

Note 24. SEGMENT REPORTING

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

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

Note 25. ECONOMIC DEPENDENCY ON GOVERNMENT REVENUE

Ukrainian Elderly People's Home is a approved Aged Care Services provider. Commonwealth Government provide funding for Aged Care service providers according to the Aged Care Act 1997 and based on Aged Care Funding Instrument (From 1st October 2022 this instrument was changed to Australian National Aged Care Classification). This funding is the main source of income of the company. The directors of the company have no reason to believe that the government will discontinue its support to Aged Care Service Providers Particularly Ukrainian Elderly People's Home



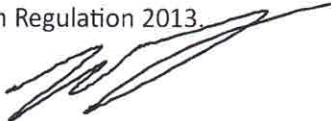
Kalyna Care

Directors' Declaration

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

1. there are reasonable grounds to believe that the responsible entity is able to pay all of its debts, as and when they become due and payable; and
2. the financial statements and notes as set out on pages 7 to 29 satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.
3. give a true and fair view of the financial position as at 30th June 2023 and of the performance for the year ended on that date of the company.

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


Dr. Igor Jakubowicz (Director & Chair)


Basil Chamula (Director & Deputy Chair)

Date- 23/10/2023



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UKRAINIAN ELDERLY PEOPLE'S HOME LTD T/A KALYNA CARE

Opinion

I have audited the accompanying financial report of Ukrainian Elderly People's Home Ltd T/A Kalyna Care (the company), which comprises the statement of financial position as at 30 June 2023, the statement of financial performance and comprehensive income, the 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 notes and the directors' declaration of the company

In my opinion the financial report of the company is in accordance with the Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 including:

- I. giving a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
- II. complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

I conducted our audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Company in accordance with 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. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material Uncertainty Related to Going Concern

I draw attention to Going Concern paragraph in Note 1 in the financial report, which indicates that as at 30 June 2023 the Company's current liabilities exceeded its total current assets by \$24,363,653. As stated in Going Concern paragraph in Note 1, these events or conditions, along with other matters as set forth in Going Concern paragraph in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the registered entity's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of the responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the responsible entities regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Assured Super Pty Ltd



Sharif Eldebs
Principal

Dated this day of 24 October 2023