



AUSTRALIAN CROATIAN CARDINAL STEPINAC ASSOCIATION LIMITED
ABN 58 136 596 444

FINANCIAL REPORT - 30 JUNE 2022

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AUSTRALIAN CROATIAN CARDINAL STEPINAC ASSOCIATION LIMITED**ABN 58 136 596 444****FINANCIAL REPORT - 30 JUNE 2022****DIRECTORS' REPORT**

Australian Croatian Cardinal Stepinac Association Limited is registered as a company limited by guarantee and not having a share capital under the provisions of the *Australian Charities and Not-for-profits Commission Act 2012*. The Directors of Australian Croatian Cardinal Stepinac Association Limited present the financial report for the year ended 30 June 2022 and report as follows:

DIRECTORS

The names of the Directors in office during or since the end of the year are as follows. The Directors were in office for this entire period unless otherwise stated.

Milan Bogovic
Boris Lauric
Rosie Jabuka
Ana Cindric
George Bilic
Dr Veronika Jakovac
Nevenka Veselic
Drago Veselic
Danijela Prahovic (*resigned 1 September 2021*)
Marko Franulovic

PRINCIPAL ACTIVITY

The principal activity of the company during the financial year was to provide care to elderly persons who are primarily from the Croatian community who require residential aged care or wish to reside in the retirement village. There were no significant changes in the nature of the principal activities during the year.

OPERATING RESULT

The net result of the company for the financial year after providing for income tax was a deficit of \$1,564,344 (2021: \$443,402 surplus). The company is a not-for-profit entity and is exempt from the payment of income tax.

LIMITATION OF MEMBERS' LIABILITY

The company is registered with the *Australian Charities and Not-for-profits Commission Act 2012* as a company limited by guarantee. If the company is wound up, its Constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the company. At 30 June 2022 the number of members was 1,030 and their collective liability was \$20,600.

EVENTS OCCURRING AFTER BALANCE DATE

Other than the possible effects of the matter referred to in Note 18 of the financial statements, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

The auditors' independence declaration for the year ended 30 June 2022 has been received and can be found on the following page.

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



Milan Bogovic
Director

Sydney, 5 October 2022

AUSTRALIAN CROATIAN CARDINAL STEPINAC ASSOCIATION LIMITED
ABN 58 136 596 444

FINANCIAL REPORT - 30 JUNE 2022

AUDITOR'S INDEPENDENCE DECLARATION UNDER s60-40
OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012
TO THE DIRECTORS OF AUSTRALIAN CROATIAN CARDINAL STEPINAC ASSOCIATION LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been:

- (a) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



StewartBrown
Chartered Accountants



S.J. Hutcheon
Partner

5 October 2022

AUSTRALIAN CROATIAN CARDINAL STEPINAC ASSOCIATION LIMITED**ABN 58 136 596 444****STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2022**

	Note	2022 \$	2021 \$
ASSETS			
Cash and cash equivalents	6	5,278,032	4,523,535
Trade and other receivables	7	734,253	781,754
Financial assets	8	40,953,300	43,410,235
Investment property	9	2,075,032	2,075,032
Capital work in progress	10	1,162,747	1,162,747
Property, plant and equipment	11	10,170,688	10,496,565
TOTAL ASSETS		60,374,052	62,449,868
LIABILITIES			
Trade and other payables	12	924,115	823,764
Refundable loans expected to be paid within 12 months	13	3,478,602	3,189,164
Employee benefits expected to be paid within 12 months	14	2,709,046	2,549,839
Refundable loans expected to be paid later than 12 months	13	10,473,607	11,520,195
Employee benefits expected to be paid later than 12 months	14	206,276	220,156
TOTAL LIABILITIES		17,791,646	18,303,118
NET ASSETS		42,582,406	44,146,750
FUNDS			
Accumulated funds		42,582,406	44,146,750
TOTAL FUNDS		42,582,406	44,146,750

The accompanying notes form part of these financial statements

AUSTRALIAN CROATIAN CARDINAL STEPINAC ASSOCIATION LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Revenue		13,253,568	14,026,791
Other income		228	16,382
	4	<u>13,253,796</u>	<u>14,043,173</u>
Expenses			
Administration costs		(1,031,515)	(553,683)
Cleaning and laundry expenses		(359,413)	(274,260)
Depreciation	5	(506,534)	(502,333)
Food supplies		(649,330)	(638,234)
Maintenance costs		(155,071)	(142,449)
Resident and client expenses		(617,027)	(547,568)
Salaries and employee benefits		(10,448,122)	(10,066,294)
Utilities		(266,904)	(290,263)
Other expenses		(784,224)	(584,687)
		<u>(14,818,140)</u>	<u>(13,599,771)</u>
Surplus (deficit) before income tax		(1,564,344)	443,402
Income tax expense		-	-
Surplus (deficit) for the year		(1,564,344)	443,402
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		<u><u>(1,564,344)</u></u>	<u><u>443,402</u></u>

The accompanying notes form part of these financial statements

AUSTRALIAN CROATIAN CARDINAL STEPINAC ASSOCIATION LIMITED**STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2022**

	Accumulated Funds \$	Total \$
Balance at 1 July 2020	43,703,348	43,703,348
Comprehensive income		
Surplus for the year	443,402	443,402
Other comprehensive income	-	-
Total comprehensive income for the year	<u>443,402</u>	<u>443,402</u>
Balance at 30 June 2021	<u>44,146,750</u>	<u>44,146,750</u>
Balance at 1 July 2021	44,146,750	44,146,750
Comprehensive income		
Surplus (deficit) for the year	(1,564,344)	(1,564,344)
Other comprehensive income	-	-
Total comprehensive income (loss) for the year	<u>(1,564,344)</u>	<u>(1,564,344)</u>
Balance at 30 June 2022	<u>42,582,406</u>	<u>42,582,406</u>

The accompanying notes form part of these financial statements

AUSTRALIAN CROATIAN CARDINAL STEPINAC ASSOCIATION LIMITED**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers and government		12,971,600	13,286,365
Payments to suppliers and employees		(14,220,663)	(12,747,339)
Donations and bequests received		14,196	49,000
Interest received		448,791	704,775
<i>Net cash flows from operating activities</i>		<u>(786,076)</u>	<u>1,292,801</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		300	13,790
Proceeds from sale of investment property		-	12,288
Proceeds from sale of financial assets		2,533,056	-
Purchase of property, plant and equipment - non-residential		(180,729)	(162,985)
Purchase of financial assets		(76,121)	(252,219)
<i>Net cash flows from investing activities</i>		<u>2,276,506</u>	<u>(389,126)</u>
Cash flows from financing activities			
Proceeds from refundable accommodation deposits		3,592,800	2,848,450
Proceeds from resident entry contributions		330,000	336,000
Repayments of refundable accommodation deposits		(4,359,786)	(3,902,794)
Repayment of resident entry contributions		(298,947)	(184,000)
<i>Net cash flows from financing activities</i>		<u>(735,933)</u>	<u>(902,344)</u>
Net increase in cash and cash equivalents		754,497	1,331
Cash and cash equivalents at the beginning of the financial year		<u>4,523,535</u>	<u>4,522,204</u>
Cash and cash equivalents at the end of the financial year	6	<u>5,278,032</u>	<u>4,523,535</u>

The accompanying notes form part of these financial statements

AUSTRALIAN CROATIAN CARDINAL STEPINAC ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 1 - Corporate information

The financial report includes the financial statements and notes of Australian Croatian Cardinal Stepinac Association Limited. Australian Croatian Cardinal Stepinac Association Limited (the company) is registered as a company limited by guarantee and not having a share capital under the provisions of the *Australian Charities and Not-for-profits Commission Act 2012*.

The company provides residential aged care and residential living services to elderly persons who are primarily from the Croatian community.

The registered address and principal place of business of the company is:

24-32 Runcorn Street
 St John's Park NSW 2176

The financial statements were approved by the Board of Directors on 5 October 2022.

Note 2 - Basis of preparation

Statement of compliance

These general purpose financial statements have been prepared in compliance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and *Australian Accounting Standards - Simplified Disclosures*. The company is a not-for-profit entity for the purposes of preparing these financial statements.

Other than the change in disclosure requirements, the adoption of *AASB 1060: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* has had no significant impact on the financial statements because the company's previous financial statements complied with *Australian Accounting Standards - Reduced Disclosure Requirements*.

Basis of measurement

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.

Comparatives

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where the entity has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates

Impairment - general

The Directors assess impairment at the end of each reporting period by evaluation of conditions and events specific to the company that may be indicative of impairment triggers.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

AUSTRALIAN CROATIAN CARDINAL STEPINAC ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 2 - Basis of preparation (continued)

Critical accounting estimates and judgements (continued)

Key judgements

Investment property

The land held at Brisbane Street, St John's Park NSW, is not classified as an investment property as the land is held for future development and subsequent use as owner-occupied property for aged care services.

The land and building located at 2/11 Reddall Parade, Lake Illawarra NSW, is also not classified as investment property as it is held to provide social services as a place of retreat and recreation for aged care residents.

New and revised standards that are effective for these financial statements

Several amendments to Australian Accounting Standards and interpretations are mandatory for the 30 June 2022 reporting period. These include:

- *AASB 1060: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (effective for the year ending 30 June 2022)
- *AASB 2020-2: Amendments to Australian Accounting Standards - Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities* (effective for the year ended 30 June 2022)

AASB 1060 and AASB 2020-2 act to mandate that the company prepare a general purpose financial report under a new Simplified Disclosure Standard. The application of AASB 1060 and AASB 2020-2 have not had a material impact on the carrying values of the company's asset, liability or equity balances; nor a material impact on the recognition and measurement of the company's revenue or expenses.

New standards and interpretations not yet adopted

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for 30 June 2022 reporting periods and have not been early adopted by the company. These include:

- *AASB 2020-1: Amendments to AASs - Classification of Liabilities as Current or Non-current* (effective for the year ending 30 June 2024)
- *AASB 2021-2: Amendments to AASs - Disclosure of Accounting Policies and Definition of Accounting Estimates* (effective for the year ending 30 June 2024)

It is not expected that AASB 2020-1 or AASB 2021-2 will have a material impact on the company in future reporting periods.

Presentation of Statement of Financial Position on a liquidity basis

The Directors have taken the view that in complying with the requirements of AASBs, the treatment of refundable loans (accommodation bonds and refundable accommodation deposits) as current liabilities does not reflect the true liquidity of the entity as these liabilities are not likely to be repaid in the next 12 months.

Accordingly, in the current year the Directors have chosen to present its statement of financial position under the liquidity presentation method (*AASB 101 Presentation of Financial Statements*) on the basis that it presents a more reliable and relevant view.

Note 3 - Significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Income tax

Australian Croatian Cardinal Stepinac Association Limited is a not-for-profit exempt institution from income tax under Division 50 of the *Income Tax Assessment Act 1997*. Australian Croatian Cardinal Stepinac Association Limited has deductible gift recipient (DGR) status.

AUSTRALIAN CROATIAN CARDINAL STEPINAC ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2022**Note 3 - Significant accounting policies (continued)*****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 Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross 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 included in receipts from customers or payments to suppliers.

Revenue recognition

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes including goods and services tax (GST). Revenue is recognised for the major business activities as follows:

Resident fees, daily accommodation payments and recurrent government subsidies

Revenue from residents' fees, daily accommodation payments and related government subsidies are recognised on a proportional basis to take account of the delivery of service to or occupancy by residents.

Donations and bequests

Income arising from the contribution of an asset (including cash) is recognised when the following conditions have been satisfied:

- (a) the company obtains control of the contribution or the right to receive the contribution;
- (b) it is probable that the economic benefits comprising the contribution will flow to the company; and
- (c) the amount of the contribution can be measured reliably at the fair value of the consideration received.

Interest revenue

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

Retentions from entry contributions

The retention income earned from resident entry contributions are recognised as income as the company becomes entitled to receive the retention under the terms of the resident agreement.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Trade receivables

For all sources of recurrent income, trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the statement of profit or loss and other comprehensive income.

AUSTRALIAN CROATIAN CARDINAL STEPINAC ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 3 - Significant accounting policies (continued)

Property, plant and equipment

Recognition and measurement

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

Subsequent costs

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

Carrying Amount

The carrying amount of property, plant and equipment is reviewed annually by the Directors to ensure that it is not in excess of the recoverable amount from those assets.

Depreciation

The depreciable amount of all property, plant and equipment, excluding freehold land and capital works in progress, is depreciated on a straight line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Buildings	2.50%
Equipment and fittings	10% - 30%
Motor vehicles	18.75% - 22.5%

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 sell the asset. 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.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

Classification and subsequent measurement

Financial assets

Financial assets other than those designated and effective as hedging instruments are classified upon initial recognition into the following categories:

- Amortised cost
- Equity instruments at fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVPL)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income or finance costs, except for impairment of trade receivables which are disclosed with other expenses.

AUSTRALIAN CROATIAN CARDINAL STEPINAC ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 3 - Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Measurement is on the basis of two primary criteria:

- The contractual cash flow characteristics of the financial asset
- The business model for managing the financial asset

Financial assets at amortised cost

Financial assets are measured at amortised cost if the asset meets the following conditions (and are not designated as FVPL):

- The financial asset is managed solely to collect contractual cash flows
- The contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates

Equity instruments at fair value through other comprehensive income

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at fair value through other comprehensive income. Subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss unless the dividend clearly represents return of capital.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

Financial assets at fair value through profit or loss

Financial assets that are held within a different business model other than to “hold and collect” or “hold to collect and sell” are categorised at fair value through profit or loss. The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Impairment of financial assets

The impairment requirements as applicable under AASB 9 use more forward-looking information to recognise expected credit losses. Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due, and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Directors considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and the credit risk is not low
- Financial assets that have objective evidence of impairment at reporting date

The loss allowance for the first category is measured as “12-month expected credit loss” and for the second category is measured as “lifetime expected credit losses”.

AUSTRALIAN CROATIAN CARDINAL STEPINAC ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2022**Note 3 - Significant accounting policies (continued)*****Investment property***

Investment property refers to land held to earn rentals or for capital appreciation or both. Investment property is measured at the cost of acquisition, including transaction costs, upon initial recognition. Subsequent to initial recognition, investment property is measured at their fair value. The fair value is supported by an external assessment. Increments and decrements to the fair value are applied to the statement of profit or loss and other comprehensive income in the period in which they occur.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. The carrying amount of trade and other payables is deemed to reflect fair value.

Income received in advance

Income, other than government contract income, that is received before the service to which the payment relates has been provided is recorded as a liability until such time as the service has been provided, at which time it is recognised in the statement of comprehensive income.

Employee benefits

Provision is made for the company'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 settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year 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 not satisfy vesting requirements. Those cash outflows are discounted using market yields on high quality Australian corporate bonds with terms to maturity that match the expected timing of cash flows.

Fair value of assets and liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the company 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.

AUSTRALIAN CROATIAN CARDINAL STEPINAC ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2022**Note 3 - Significant accounting policies (continued)*****Fair value of assets and liabilities (continued)***

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 company at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

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.

Resident entry contributions

Resident entry contributions are received from residents of independent living units, and they are non-interest bearing and the net amount is repayable upon departure or transfer. Resident entry contributions are measured at the principal amount net of any retentions, or any other amounts deducted from the loan at the election of the resident, plus the resident's share of the capital gains (if any) based on the market value of the underlying property at balance date. The repayment of contributions to residents including capital gains and net of any retention will be funded largely by contributions from incoming residents.

Refundable accommodation deposits

Refundable accommodation deposits (RADs) are non-interest bearing deposits made by aged care facility residents to the company upon their admission. Refundable accommodation deposits are measured at their principal amount less any other amounts deducted from the deposit at the election of the resident.

AUSTRALIAN CROATIAN CARDINAL STEPINAC ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

	2022	2021
	\$	\$
<u>Note 4 - Revenue and other income</u>		
Operating revenue		
Government subsidies and recurrent grants	9,455,389	9,557,112
Government support - COVID-19	-	295,377
Resident fees and charges	2,896,126	3,019,865
Daily accommodation payments	426,151	432,248
Retentions from entry contributions	16,739	43,750
	<u>12,794,405</u>	<u>13,348,352</u>
Other revenue		
Donations and bequests	14,196	49,000
Interest income	365,124	602,653
Rent received	17,850	18,250
Other revenue	61,993	8,536
	<u>459,163</u>	<u>678,439</u>
<i>Total revenue</i>	<u>13,253,568</u>	<u>14,026,791</u>
Other income		
Net gain on the disposal of property, plant and equipment	228	7,014
Net gain on the disposal of investment property	-	9,368
<i>Total other income</i>	<u>228</u>	<u>16,382</u>
<i>Total revenue and other income</i>	<u>13,253,796</u>	<u>14,043,173</u>
<u>Note 5 - Expenses</u>		
Bad and doubtful debts	61,576	-
Depreciation		
Buildings	354,047	353,967
Plant and equipment	131,579	121,069
Motor vehicle	20,908	27,297
<i>Total depreciation</i>	<u>506,534</u>	<u>502,333</u>
<u>Note 6 - Cash and cash equivalents</u>		
Cash at bank and on hand	5,278,032	4,523,535
<i>Total cash and cash equivalents</i>	<u>5,278,032</u>	<u>4,523,535</u>
<u>Note 7 - Trade and other receivables</u>		
<u>Expected to be received within 12 months</u>		
Trade and other receivables	437,810	361,845
Provision for impairment	(58,430)	(16,000)
Interest receivable	241,234	324,901
GST receivable	34,000	31,743
Prepayments	79,639	79,265
<i>Total trade and other receivables</i>	<u>734,253</u>	<u>781,754</u>
<i>Provision for impairment</i>		
Opening net carrying amount	16,000	16,000
Increase in provision	61,576	-
Amount written off	(19,146)	-
Closing net carrying amount	<u>58,430</u>	<u>16,000</u>

AUSTRALIAN CROATIAN CARDINAL STEPINAC ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

	2022 \$	2021 \$			
<u>Note 8 - Financial assets</u>					
<u>Expected to be received within 12 months</u>					
Financial assets at amortised cost					
Term deposits and floating rate notes	40,953,300	43,410,235			
<i>Total financial assets</i>	<u>40,953,300</u>	<u>43,410,235</u>			
<i>Movements in carrying amount</i>					
Opening net carrying amount	43,410,235	43,158,016			
Additions	76,121	252,219			
Disposal	(2,533,056)	-			
Closing net carrying amount	<u>40,953,300</u>	<u>43,410,235</u>			
<u>Note 9 - Investment property</u>					
Graves at fair value	2,075,032	2,075,032			
<i>Total investment property</i>	<u>2,075,032</u>	<u>2,075,032</u>			
<i>Movements in carrying amount</i>					
Opening net carrying amount	2,075,032	2,077,952			
Disposals	-	(2,920)			
Closing net carrying amount	<u>2,075,032</u>	<u>2,075,032</u>			
<u>Note 10 - Capital work in progress</u>					
Cost	1,162,747	1,162,747			
<i>Total capital work in progress</i>	<u>1,162,747</u>	<u>1,162,747</u>			
<u>Note 11 - Property, plant and equipment</u>					
	Land	Buildings	Equipment & Fittings	Motor Vehicles	Total
	\$	\$	\$	\$	\$
At 30 June 2021					
Cost	1,343,065	14,463,142	2,481,805	233,946	18,521,958
Accumulated depreciation	-	(6,162,655)	(1,726,950)	(135,788)	(8,025,393)
<i>Net carrying amount</i>	<u>1,343,065</u>	<u>8,300,487</u>	<u>754,855</u>	<u>98,158</u>	<u>10,496,565</u>
<i>Movements in carrying amounts</i>					
Opening net carrying amount	1,343,065	8,300,487	754,855	98,158	10,496,565
Additions - non residential	-	-	180,729	-	180,729
Disposals	-	-	-	(72)	(72)
Depreciation charge for the year	-	(354,047)	(131,579)	(20,908)	(506,534)
Closing net carrying amount	<u>1,343,065</u>	<u>7,946,440</u>	<u>804,005</u>	<u>77,178</u>	<u>10,170,688</u>
At 30 June 2022					
Cost	1,343,065	14,463,142	2,662,534	214,194	18,682,935
Accumulated depreciation	-	(6,516,702)	(1,858,529)	(137,016)	(8,512,247)
<i>Net carrying amount</i>	<u>1,343,065</u>	<u>7,946,440</u>	<u>804,005</u>	<u>77,178</u>	<u>10,170,688</u>

AUSTRALIAN CROATIAN CARDINAL STEPINAC ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

	2022 \$	2021 \$
<u>Note 12 - Trade and other payables</u>		
<u>Expected to be settled within 12 months</u>		
Trade and other payables	206,636	118,459
Income in advance	340,379	352,376
Liabilities to residents	22,790	18,635
Other payables	354,310	334,294
<i>Total trade and other payables</i>	<u>924,115</u>	<u>823,764</u>
<u>Note 13 - Refundable loans</u>		
Refundable accommodation deposits and accommodation bonds		
- estimated to be payable within 12 months	3,251,805	3,041,339
- estimated to be payable later than 12 months	9,755,416	10,737,345
	<u>13,007,221</u>	<u>13,778,684</u>
Resident entry contributions		
- estimated to be payable within 12 months	226,797	147,825
- estimated to be payable later than 12 months	718,191	782,850
	<u>944,988</u>	<u>930,675</u>
<i>Total refundable loans</i>	<u>13,952,209</u>	<u>14,709,359</u>
<u>Movement in refundable accommodation deposits</u>		
Opening net carrying amount	13,778,684	14,833,028
New RADs received	3,592,800	2,848,450
Allowable deductions	(4,477)	-
RADs refunded	(4,359,786)	(3,902,794)
Closing net carrying amount	<u>13,007,221</u>	<u>13,778,684</u>
<u>Movement in resident entry contributions</u>		
Opening net carrying amount	930,674	822,424
New contributions received	330,000	336,000
Retentions	(16,739)	(43,750)
Contributions refunded	(298,947)	(184,000)
Closing net carrying amount	<u>944,988</u>	<u>930,674</u>

Terms and conditions

Refundable accommodation deposits and accommodation bonds (loans) are repayable on the following basis:-

- (i) If the resident gives notice more than 14 days prior to departure then the loan is payable on the date of departure;
- (ii) If the resident gives notice less than 14 days prior to departure the loan is payable within 14 days after notice is given;
- (iii) If the resident gives no notice the loan is repayable 14 days after departure; and
- (iv) If the resident dies, the loan is repayable within 14 days from the date that notice is received of the granting of probate or of letters of administration being issued.

AUSTRALIAN CROATIAN CARDINAL STEPINAC ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

	2022	2021
	\$	\$
<u>Note 14 - Employee benefits</u>		
<u>Expected to be settled within 12 months</u>		
Annual leave	1,333,922	1,256,520
Long service leave	1,375,124	1,293,319
	<u>2,709,046</u>	<u>2,549,839</u>
<u>Expected to be settled after 12 months</u>		
Long service leave	206,276	220,156
	<u>206,276</u>	<u>220,156</u>
<i>Total employee benefits</i>	<u>2,915,322</u>	<u>2,769,995</u>

Note 15 - Key management personnel

Remuneration of key management personnel

The aggregate amount of compensation paid to key personnel during the year was:

<u>546,754</u>	<u>547,840</u>
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Note 16 - Auditor's remuneration

Fees paid to StewartBrown, Chartered Accountants:

Audit of the financial report	19,000	18,400
Preparation of the financial report	3,100	3,800
Other advisory services	5,700	2,600
<i>Total auditor's remuneration</i>	<u>27,800</u>	<u>24,800</u>

Note 17 - Government grants

The company has recognised government grant revenue from the following levels of government and departments:

Commonwealth

Department of Health and Aged Care	-	245,377
ATO Cash flow Boost funding	-	50,000
<i>Total government grants</i>	<u>-</u>	<u>295,377</u>

Note 18 - Events occurring after balance date

Subsequent to the end of the financial year, there remains a degree of uncertainty in relation to future economic and other impacts of the COVID-19 pandemic.

At the date of signing the financial statements the Directors are unable to determine what financial effects the outbreak of the virus could have on the company in the coming financial period.

The Directors acknowledge their responsibility to continuously monitor the situation and evaluate this impact including its ability to pay its debts as and when they become due and payable.

There were no other significant events occurring after balance date.

Note 19 - Contingent liabilities

At balance date the company is not aware of the existence of any contingent liability.

AUSTRALIAN CROATIAN CARDINAL STEPINAC ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2022**Note 20 - Limitation of members' liability**

The company is registered as a company limited by guarantee, and in accordance with the Constitution the liability of members in the event of the company being wound up would not exceed \$20 per member. At 30 June 2022 the number of members of this company was 1,030 (2021: 1,030).

Note 21 - Economic dependency

The Directors consider that the company is economically dependent on revenue received from the Commonwealth Department of Health and Aged Care with respect to its residential aged care facilities and community care programs. The Directors believe that this revenue will continue to be made available to the company for the foreseeable future. The total amount of recurrent government funding received during the financial year was \$9,455,389 (2021: \$9,557,112) and this represented 71.3% of total revenue (2021: 68.1%).

Note 22 - Related party transactions***Directors' remuneration***

In accordance with the company's constitution the Directors of the company hold that position in an honorary capacity and thus receive no remuneration or retirement or superannuation benefits for their services.

AUSTRALIAN CROATIAN CARDINAL STEPINAC ASSOCIATION LIMITED
ABN 58 136 596 444

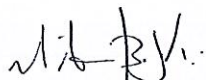
FINANCIAL REPORT - 30 JUNE 2022

DIRECTORS' DECLARATION

The Directors of the Australian Croatian Cardinal Stepinac Association Limited declare that:

1. The financial statements, which comprises the statement of financial position as at 30 June 2022, and the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with *Australian Accounting Standards - Simplified Disclosures* (including Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
 - (b) give a true and fair view of the financial position of the company as at 30 June 2022 and of its performance for the year ended on that date.
2. In the opinion of the Directors there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Milan Bogovic
Director

Sydney, 5 October 2022

AUSTRALIAN CROATIAN CARDINAL STEPINAC ASSOCIATION LIMITED
ABN 58 136 596 444


FINANCIAL REPORT - 30 JUNE 2022

DIRECTORS' DECLARATION
UNDER CHARITABLE FUNDRAISING ACT

In the opinion of the Directors of Australian Croatian Cardinal Stepinac Association Limited:

- (i) The financial statements and notes thereto give a true and fair view of all income and expenditure with respect to fundraising appeals for the year ended 30 June 2022;
- (ii) The statement of financial position as at 30 June 2022 gives a true and fair view of the state of affairs of the company with respect to fundraising appeals conducted by the organisation;
- (iii) The provisions of the *Charitable Fundraising Act 1991*, the regulations under that Act, and the conditions attached to the authority to fundraise have been complied with by the organisation; and
- (iv) The internal controls exercised by the company are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

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



Milan Bogovic
Director

Sydney, 5 October 2022

AUSTRALIAN CROATIAN CARDINAL STEPINAC ASSOCIATION LIMITED
ABN 58 136 596 444

FINANCIAL REPORT - 30 JUNE 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN CROATIAN CARDINAL STEPINAC ASSOCIATION LIMITED

Opinion

We have audited the financial report of Australian Croatian Cardinal Stepinac Association Limited which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

In our opinion, the accompanying financial report of Australian Croatian Cardinal Stepinac Association Limited is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the company's financial position as at 30 June 2022 and of its financial performance for the year then ended, and
- b) complying with *Australian Accounting Standards - Simplified Disclosures* and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibility for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and 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 confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the Directors of the company, would be in the same terms if given to the Directors as at the time of this auditor's report.

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

Directors' Responsibility for the Financial Report

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with *Australian Accounting Standards - Simplified Disclosures* and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

The Directors are responsible for overseeing the company's financial reporting process.

AUSTRALIAN CROATIAN CARDINAL STEPINAC ASSOCIATION LIMITED
ABN 58 136 596 444

FINANCIAL REPORT - 30 JUNE 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN CROATIAN CARDINAL STEPINAC ASSOCIATION LIMITED

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at *The Auditing and Assurance Standards Board* and the website address is <http://www.auasb.gov.au/Home.aspx>

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In addition, our audit report has also been prepared for the members of the company in accordance with section 24(2) of the *Charitable Fundraising Act 1991*. Accordingly, we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the *Australian Charities and Not-for-profits Commission Act 2012*. These additional procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *Charitable Fundraising Act 1991* and Regulations.

It should be noted that the accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited and do not necessarily reflect after the event accounting adjustments and the normal year-end financial adjustments for such matters as accruals, prepayments, provisioning and valuations necessary for year-end financial report preparation.

The performance of our statutory audit included a review of internal controls for the purpose of determining the appropriate audit procedures to enable an opinion to be expressed on the financial report. This review is not a comprehensive review of all those systems or of the system taken as a whole and is not designed to uncover all weaknesses in those systems.

The audit opinion expressed in this report pursuant to the *Charitable Fundraising Act 1991* has been formed on the above basis.

AUSTRALIAN CROATIAN CARDINAL STEPINAC ASSOCIATION LIMITED
ABN 58 136 596 444

FINANCIAL REPORT - 30 JUNE 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN CROATIAN CARDINAL STEPINAC ASSOCIATION LIMITED

Auditor's opinion

Pursuant to the requirements of Section 24(2) of the *Charitable Fundraising Act 1991* we report that, in our opinion:

- a) the financial report gives a true and fair view of the financial result of fundraising appeal activities for the financial year ended 30 June 2022;
- b) the financial report has been properly drawn up, and the associated records have been properly kept for the period 1 July 2021 to 30 June 2022, in accordance with the *Charitable Fundraising Act 1991* and Regulations;
- c) money received as a result of fundraising appeal activities conducted during the period 1 July 2021 to 30 June 2022 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991* and Regulations; and
- d) at the date of this report there are reasonable grounds to believe that company will be able to pay its debts as and when they become due and payable.



StewartBrown
Chartered Accountants



S.J. Hutcheon
Partner

5 October 2022