



# *St Sergius*

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## AGED CARE

Russian Relief Association of St Sergius of Radonezh  
Trading as St. Sergius Aged Care

## 2022/2023 Annual Report



The Russian Relief Association values caring for our residents with respect, trust, quality care, exceptional staff and management



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## Caring for people

St Sergius has a philosophy that we apply and believe that every person has a value and each individual must be treated with respect and dignity.

This same philosophy is adopted to all consumers and their representatives and friends and also to our staff. This encourages everyone to work together. With looking after each other in the way we do this in turn results in happier consumers and high retention of staff.

## Our Vision Statement

### Our Vision

The Board of Management of Russian Relief Association of St. Sergius of Radonezh is committed to achieving the highest possible standards of care for our consumers in the tradition of their heritage and culture.

### Our Philosophy

In providing care of the highest possible quality for the aged and infirm members of our community, we are inspired by the principles of Christian benevolence. We aim to provide a lifestyle for our residents in the traditions of the Russian Culture and the rites of the Russian Orthodox Church. We believe that growing old is a further stage of development, which should be approached with dignity and confidence in one's ability to achieve the full potential that is possible for this time of life. At the same time, we recognize and accept the notion that all consumers irrespective of their physical, emotional, mental state or denomination have the same right as all Australian citizens and should be treated with utmost care and consideration.



Their sense of personal dignity and self-respect should be maintained at all times.

### Values

- Striving to understand another person's experience, being aware of their feelings, their discomfort and suffering, and being motivated to respond.
- Upholding the right of every individual to be held in positive regard, to be treated with dignity and in a way that acknowledges their full human potential.
- Achieving and maintaining the optimum standard of service in every area through continuous quality improvement.
- Demonstrating willingness to contribute in full, and to cooperate with one another to achieve our shared vision for the future.
- Acting with fairness and openness in such a way that individual and organizational values are displayed through our facility.



## Objectives

- To create a familiar and comforting atmosphere in which our consumers feel at home by providing specific home style cooked meals, observance of religious feasts and other customs relating to Russian culture.
- To maintain the highest standard of nursing care, meeting physical, psychological, spiritual and emotional needs of residents in a professional and safe manner.
- To treat residents with kindness and dignity and maintain quality of life at the highest level.
- To provide an atmosphere where mutual respect exists between staff and residents.
- To enable residents to maintain their independence, privacy and individuality, yet encourage them to take an interest in daily activities.
- To implement recreational and social programs to meet the individual needs of residents.
- To provide in-service training and opportunities for external education for staff development.
- To offer our support to relatives and friends and help them come to terms with the changed circumstances

## Board of Directors

- Dr. A. Pesce - President
- Mr. N. Pitchuev - 1st Vice President
- Mr. N. Maksymow - 2nd Vice President, Treasurer
- Dr. I. Rotenko-Harvey - Secretary
- Mr. I. Kazagranti
- Mr. M. Apollonov
- Mr. M. Vladimiroff
- Mrs. T. Prolov
- Dr. D. Zakroczymski
- Mr. B. Konstantinidis

## Internal Audit

- Mr. Adrian Lapardin
- Mrs. Veronica Hoare
- Mr. Alexander Peniazev

*People are our most important resource*



## President's Report 2022-2023

2023 has been a year of change for St Sergius on many levels.

As with the entire Aged Care sector, we are responding to two main challenges

1. Ongoing government reform in Aged Care. By October 1, St Sergius was required to implement several changes to comply with obligations and required standards.

a. Changes to the governing body (board) to provide that at least one member has experience in clinical care.

b. Changes to processes overseeing the standard and quality of care to residents, and to ensure that development of services includes consultation with consumers. The priority of individual residents' decision making and independence is elevated to the major factor in how care is provided.

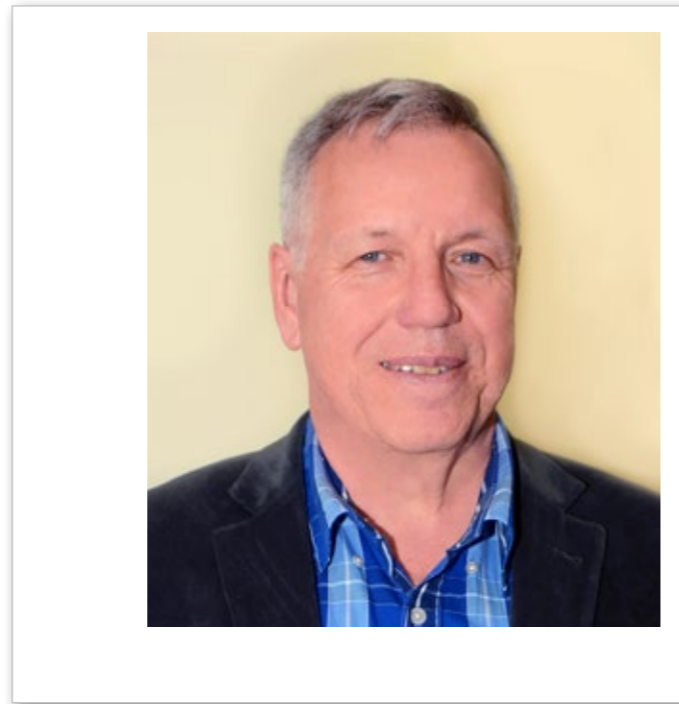
c. Increase in reporting requirements to Government to ensure financial viability of providers of Aged Care.

d. 15% increase in salaries of all aged care staff providing direct care to residents from 30 June 2023, followed by a 5.75% increase in award wages from July 1 2023.

These are important and necessary changes to improve care for aged care residents and recipients of care at home and require significant consideration and resources to introduce and develop. Importantly, the Australian government has delivered on its promise that the new funding framework will provide additional funding to meet the costs of these changes, and this gives us confidence that we can make the necessary changes within our financial resources. It will be important that the funding arrangements continue to reflect any increase costs which result from current and future aged care reforms.

2. Changes to responses to COVID 19.

There have been a number of small outbreaks in 2023 which have been quickly contained. I once again thank our staff who have provided



care throughout the COVID challenge, often working extra shifts and duties when their colleagues have been required to isolate at home. Whilst Covid 19 remains a significant risk to aged care residents, the response of our and the health sector in general has now progressed to managing the disease as a permanent ongoing risk, rather than a response to an emergency. Mandatory government restrictions have been changed, with more responsibility for COVID risk minimization strategies returned to local facilities.

This has resulted in several changes, including vaccination requirements for staff and visitors, and a decision to once again hold community events at St Sergius, beginning with the celebration of the Feast of St Sergius of Radonezh on October 8th.

We still ask at this stage that visitors continue to perform COVID screening when visiting residents and avoid visiting if they have symptoms of respiratory illness.

COVID has affected us in other ways. There have been considerable changes to the building industry brought about by cost of materials and availability and cost of workforce. There have also been new requirements imposed on us since our original development applications for

refurbishment and new building were lodged. It has been frustrating that this has resulted in significant delays in the Dementia unit development and construction. We have been able to proceed with the redevelopment of vacated Independent Living Units to increase the number of single rooms, but final certification of the Dementia Unit plans has been delayed significantly beyond our plans. We now believe that final certification will be approved before the end of 2023 and construction will begin in 2024.

The Board farewelled two retiring directors in 2023, Michael Dubinin and Victor Ignatenko. We thank them for their contribution and service and appreciate their offer to continue to assist RRA. The Board was fortunate to appoint two acting directors Michael Vladimiroff and Father Bill Konstantinidis, who will seek the support of members at the AGM to continue as directors.

In addition to the election of directors and other AGM business, there will also be an Extraordinary General Meeting (EGM) held immediately prior to the AGM to consider changes to the Articles of Memorandum of Association. Members will be aware of previous communication regarding the proposal to be put at the upcoming Annual General Meeting (AGM) on November 19 to amend the Articles of Association to allow the appointment of a member who has clinical experience but only if the normal processes election of directors does not result in a board able to comply with this requirement of the Aged Care Act. In addition, the Internal Auditing Committee has proposed some changes to assist them in their role going forward by focusing on review of the performance of RRA processes and quality of services on behalf of the members and recognizing that contemporary processes of our external auditor and Audits by the Aged Care quality and Safety Commission provide independent and high level financial and governance oversight required by the Aged Care Act.

I would like to thank our staff who continue to provide high quality care to our residents. All of them work above and beyond their job descriptions to provide care of which we can

be proud and had resulted in the highest level rating possible for an organisation of our size.

In particular I wish to acknowledge the following senior staff:

Natalya Zaytseva, our Director of Care. Nataliya has worked tirelessly, often in difficult circumstances when COVID and other outbreaks impose challenges to care and staffing without warning.

Svetlana Grabovsky, our Home Services Manager. Svetlana has overseen the building of this service which is becoming an increasingly important part of the package of services we provide to allow our senior community members more choice in how they receive assistance as they age.

Tatiana Fedoseeva, our Director of Finance. Tatiana is proactive and ensures the financial viability of our business. Like many roles at St Sergius, it is the achievement of the extra package of government support, and the review our savings accounts to ensure we are always getting the best returns possible that make the difference between adequate and excellent financial results.

Alex Kojevnikov, our Maintenance Manager. Alex has overseen the maintenance and works of the facility.

Helen Workman. We all know Helen has been a tireless CEO who makes all the complex parts of our operations work together for the benefits of our residents and our community. She performs her role with insight, patience and a deep understanding of what brings excellence in Aged Care.

Finally I would like to thank all directors who have worked together and continue to consider how best to respond to the future challenges of the Aged Care sector.

**Dr. A. Pesce**  
President

## Treasurer's Report 2022-2023

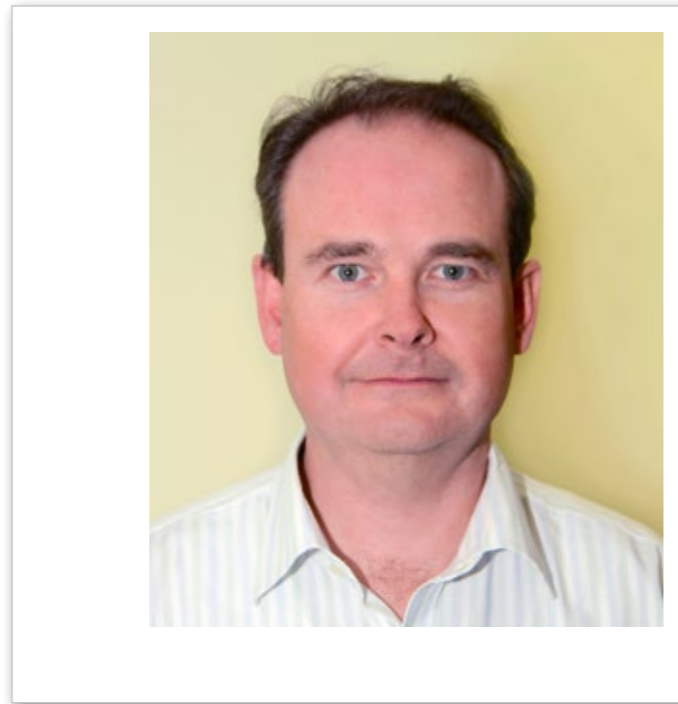
Dear Members,

When sitting down to write this summary, I began to ponder what could be an appropriate title to sum up the current financial situation beholding the Russian Relief Association (RRA). Why has the RRA been successful when others keep failing? After much deliberation I came up with: Knowing our Game, has paid the Best Interest. At a time when the aged care industry has been struggling to make ends meet, the RRA continues to deliver strong financial results: growing revenues, manageable debt, and a healthy amount of free cash flow. This is something we should be very proud of, given the current climate we face...interpret that as you wish.

The RRA knows the game, the RRA knows the rules and the RRA plays the game effectively. An analogy of sorts, but in the past year alone we have successfully managed a new funding system, achieved 3-year accreditation, managed risk and continue to pave the way for growth. Management, Staff and Board of the RRA have worked cohesively to achieve these results.

The financial position of RRA remains sound. In the 2023 financial year our operating profit has increased to \$2.9m. This result is a significant increase on the previous year; income grew higher than expenses, but I believe this will balance itself out over the foreseeable future. The most significant increase in expenses, in percentage terms were again Staff Wages – nothing new there. Other Residential Care Expenses, which includes items like Workers Compensation and Waste Services increased as expected, but this is not an issue of concern. Increases in other costs are in line with revenue growth. At the same, significant savings were achieved in relation to external advisors (consulting services), admin and licence fees.

The new AN-ACC funding model has played



a major factor in helping the Organisation's revenue grow. This funding model replaced the old ACFI model on 1 October 2022 and has been a welcome change because not only does the new system provide for a higher level of base funding, but it also means that independent assessors, assign residents an AN-ACC class. This means residential aged care providers are no longer required to complete their own assessments, nor face the scrutiny of Government validating provider assessments, which meant the old system was open to misappropriation and higher administrative costs. On the flip side, the Government has legislated that the extra funding under AN-ACC equates to a requirement whereby providers now need to provide a minimum of 200 care minutes per resident per day. This has meant that the industry (and the RRA) has had to adjust its nursing roster and employ additional staff. An increase in minimum rates under the Award have also contributed to the overall increase in staff employment costs. These costs are expected to increase further, so the RRA must be prepared for this scenario to play out.

Home Care Services have complemented the revenue generated from residential aged care. In this respect, Home Care grew by over

33% compared to the 2022 year. What is more impressive however, is the growth of Home Care in such a short period of time. Our first Home Care client was registered in December 2019 and at that time Home Care generated only \$10,000. Fast forward some 3.5 years later and we have a stable base of about 60 clients generating \$1.2m for 2023 FY. We can easily conclude that the decision to offer Home Care Services has proven to be wise.

It became public knowledge in about 2018 that nearly half of all residential aged care facilities were operating at a loss, according to the data reported by industry analysts Stewart Brown. The latest survey published by Stewart Brown again paints a similar picture with 64% of aged care homes in Australia operating at a loss. Over the 5 year period the picture is even more bleak whereby we have seen a loss of \$5,221 per bed per annum, a continuation of losses over 5 consecutive years. Occupancy has remained steady however at about 91% across the industry. In comparison Home Care is also facing its own challenges, mainly in the form of staffing. Even though Home Care is still generating a surplus of \$3.39 per client per day across the industry, this number has dropped from \$4.29 per client per day from the previous period. Revenue utilisation in Home Care has decreased to 84.9% of

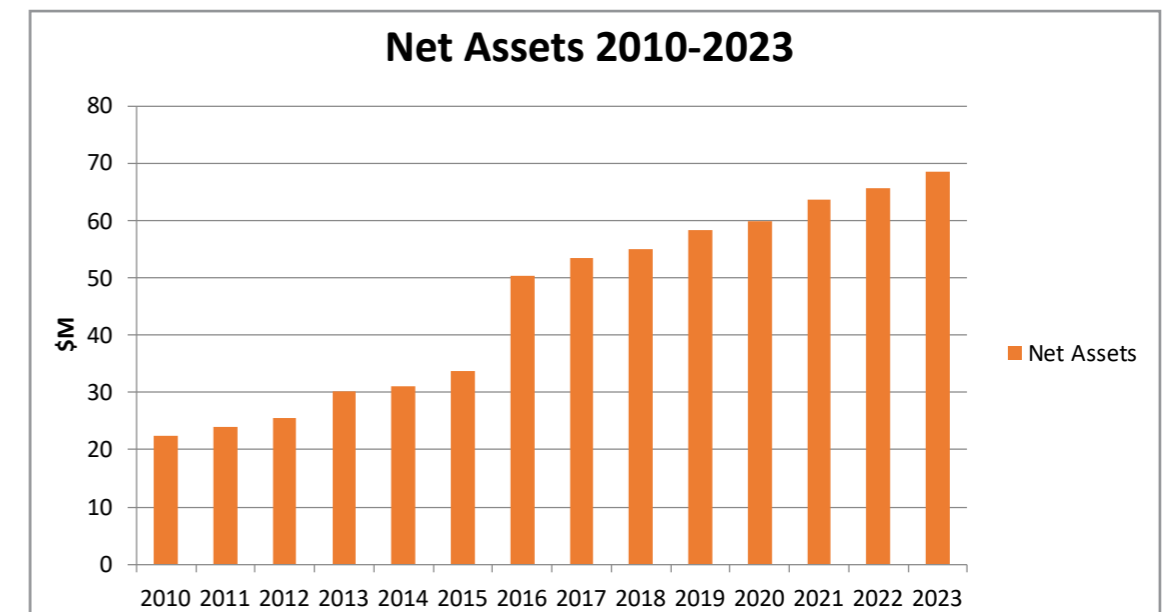
available packaging funding. And unspent funds have increased to an average of \$11,788 for every client.

Compared to industry figures, we can comfortably conclude that the Russian Relief Association finds itself in admirable position.

In light of the current aged care environment in which RRA operates, I confirm that we see before ourselves a significant achievement in nett asset growth over the past 13 years – something the Organisation needs to be very proud of. The graph below indicates a steady, stable increase and the notable spike in 2016, attributable to the completed building works completed in that particular year. Nett assets, as can be confirmed by the attached financials, total \$68.5 million dollars, up by \$2m compared to the previous financial year. Our current cash pool of over \$25m will easily cover the current building projects committed to by the RRA. These investments should pave the way for a secure future, provided we play by the rules of the game.

I commend the CEO, Finance Director and Finance Team plus all employees of St Sergius Aged Care, who have no doubt contributed to the success of the organisation.

**Nicholas Maksymow**  
Treasurer



## Russian Relief Association of St Sergius of Radonezh Board of Directors



**Dr. A. Pesce**  
President



**Mr. N. Pitchuev**  
1st Vice President



**Mr. N. Maksymow**  
2nd Vice President,  
Treasurer from 9/2/23



**Mr. V. Ignatenko**  
Treasurer, resigned  
9/2/23



**Dr. I. Rotenko-Harvey**  
Secretary



**Mr. I. Kazagrandi**  
Director



**Mr. M. Apollonov**  
Director



**Mr. M. Dubinin**  
Director, resigned  
19/06/23



**Mrs. T. Prolov**  
Director



**Dr. D. Zakroczymski**  
Director



**Mr. M. Vladimiroff**  
Director from  
9/03/23



**Mr. B. Konstantinidis**  
Director from  
13/07/23

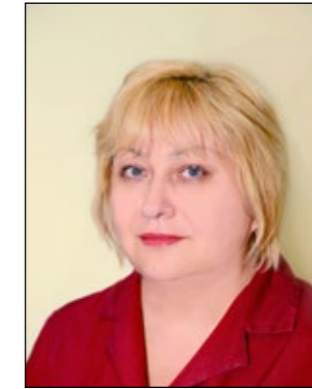
## Russian Relief Association of St Sergius of Radonezh Management



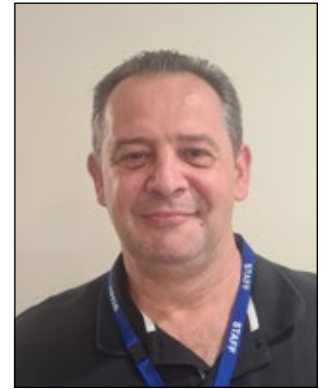
**Helen Workman**  
CEO



**Tatiana Fedoseeva**  
Director of Finance



**Natalya Zaytseva**  
Director of Care



**Alexander Kojevnikov**  
Maintenance  
Manager



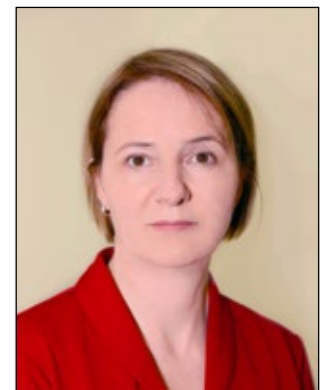
**Svetlana Grabovsky**  
Homecare Services  
Manager



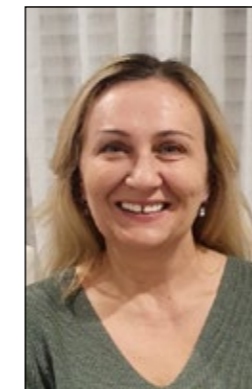
**Elena Ouchakova**  
Accountant



**Lisa McCarron**  
HR and Office  
Coordinator



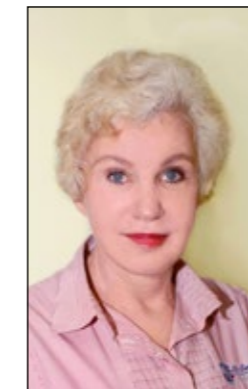
**Dusica Matic Maho**  
Quality Compliance  
Manager



**Stanka Katic**  
Hospitality  
Services  
Coordinator



**Milana Milic**  
Education  
Coordinator



**Irene Jarrett**  
Leisure and  
Lifestyle  
Coordinator



**Sinisa Skoric**  
Occupational  
Therapist



**Eun Pyung Yoo**  
Physiotherapist

## Internal Audit Committee Report 2021-2022

COVID-19 is still a concern for all of us, but RRA managers and staff are experienced at managing it. They perform quick and effective procedures when required to prevent the spread of COVID to our facility. We congratulate them for their efforts.

Two board members have retired from the Board and two new board members have been appointed. These new board members will be nominated for election at this year's AGM.

The IAC put its effort into monitoring our general financial expenses and activities, and also the wellbeing of residents.

The IAC visits the facility monthly at different times and has been trying food and lunches prepared for residents. We found that three course meals prepared by the kitchen were tasty, well-prepared, and colourful.

The kiosk in the foyer provides good and friendly service with cheerful smiles to all visitors. It is a very warm and friendly meeting place for all visitors, residents, and their relatives.

Our facility has a chapel. We are satisfied that our residents can access all their religious needs.

The IAC examined the newly constructed balconies. We were happy with the finished work and feedback from residents and their relatives. Those who are using the new balconies have expressed very favourable opinions. Work on converting eight independent living units into fourteen resident rooms and two storage rooms is progressing well and expected to be completed by December 2023.

The new 29 beds development process is slow due to various reasons, but we were assured



that there is now a light at the end of the tunnel. The IAC recommends that after receiving all necessary approval for this development the Board evaluate again all expected costs associated with this project.

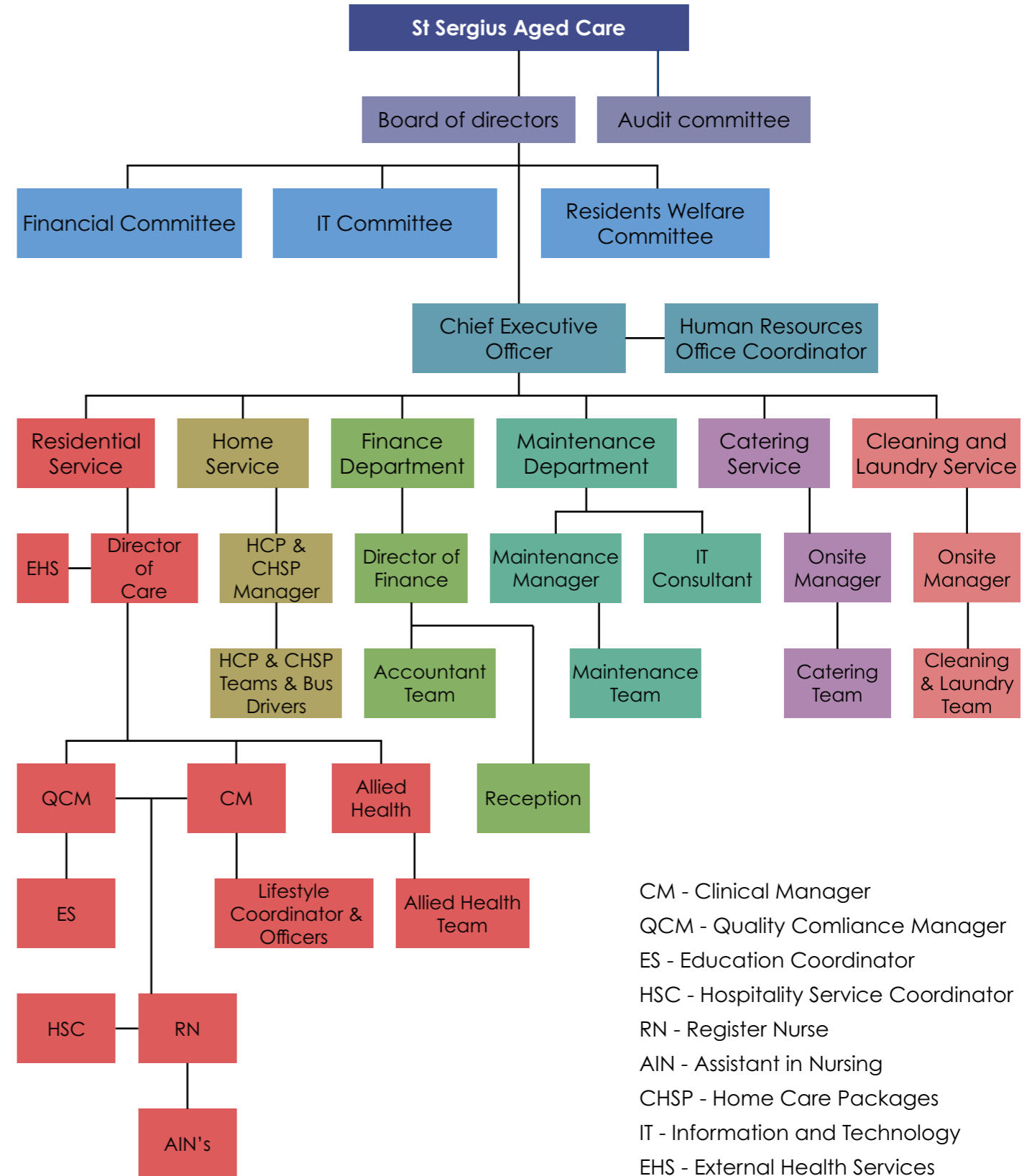
We wish to congratulate the CEO and Director of Finance for their efforts in securing government grants and achieving such an excellent financial result this year.

This year the Board and IAC proposed two changes to the Memorandum and Article of Association. One was to comply with new government requirements for facilities such as ours, and the second was to align with changes to responsibility and financial reality in running the RRA. The Board and IAC are fully supporting both proposals, as approval for both will benefit our organisation. Therefore, we urge all of you, members, to support both changes to the Memorandum and Articles of Association and vote "for" to approve both proposals.

Thank you all for your support of our efforts in running our organisation.

**Adrian Lapardin**  
*Chairman of the Internal Audit Committee*

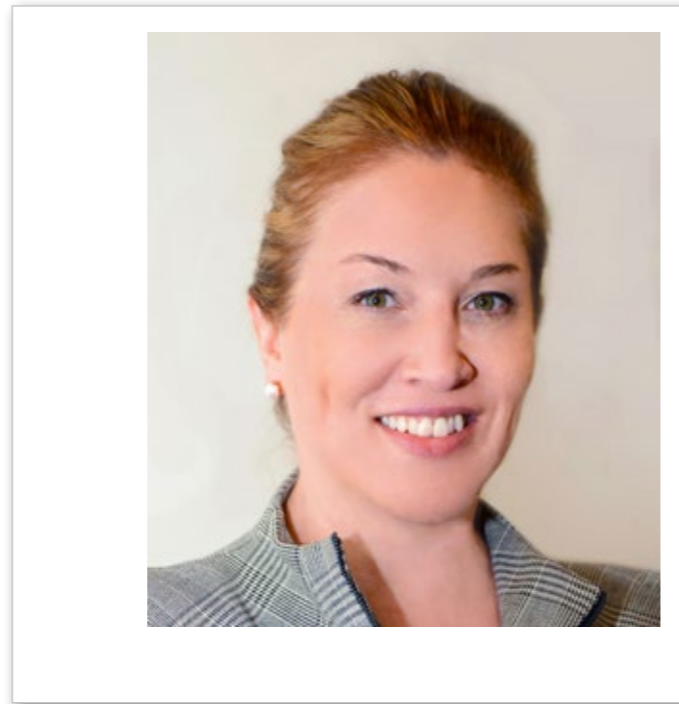
## Russian Relief Association of St Sergius of Radonezh Organisation Chart



## CEO's Report 2022-2023

Across the Aged Care Sector, 2023 was another year of significant challenges: from the lingering effects of the COVID-19 pandemic to the ongoing uncertainty in government policy, funding, and regulatory settings. Despite this unsettling landscape, St Sergius Aged Care has shown a strong performance this year with improved revenue growth and operating margins due to its high occupancy, increased funding ahead of the deadline for minimum care minute requirements from 1 October 2023, lower COVID-19 costs, and higher COVID-19 Grant recognition.

There is still more work to be done but I believe that the sector is now entering a period of consolidation as we see meaningful action on the promises set out in the Government's reform agenda. As a provider, we have learned to meet the challenges of the rapidly changing



environment in which we operate. St. Sergius Aged Care's strength has been its focus on improving the quality of care and services to its residents and clients.

The commitment and loyalty of the workforce has been exceptional during the last few years, and we welcomed the Fair Work Commission's decision to significantly increase the award wages to direct care workers, making the sector more attractive to employees and facilitating the required growth and retention of the workforce. I am extremely proud of our team and would like to thank our wonderful staff for their dedication to looking after our residents and clients at a time of their deepest need.

It has been a considerable time, due to the limitations imposed by COVID-19 since we had the Aged Care Quality and Safety Commission visit our facility and so it is very pleasing to report that St. Sergius Aged Care had a very successful assessment visit and have now been re-accredited by the Commission for another 3 years. This is a testament to the hard work of our staff and the strong Clinical Governance established by the management team.



This year Management and the Board have achieved and continue to work on several key strategic growth initiatives. The development of ILUs to 14 extra single residential rooms has commenced and is on target with a completion date expected for December 2023. Work continues to attain certification of the new Dementia Unit despite many unforeseen delays, and it is expected construction will begin in 2024. Home care and community care are being further expanded by commencing a new day care

in Blacktown and by increasing package numbers and service offerings.

St Sergius Aged Care remains firmly committed to a high-performance team culture, with continuous improvement and a learning culture driven from the Board and Management through to frontline workers. Providing quality care and service remains our core business drivers to improve resident and client experience, and operational and financial performance. We have entered the new financial year with an experienced management staff and are looking forward to the year ahead and the execution of our strategic plans and priorities.

Finally, I would like to thank our residents, clients, and their families for trusting us to provide care and support at an important time in their lives and we will continue to strive to provide the highest quality aged care services.

**Helen Workman**  
CEO







*St Sergius*  
AGED CARE

# Financial Statements

for the year ended 30th June 2023

Russian Relief Association of  
St Sergius of Radonezh Limited

ABN: 20 071 400 470

RUSSIAN RELIEF ASSOCIATION OF ST SERGIUS OF RADONEZH LIMITED  
ABN: 20 071 400 470

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

## CORPORATE INFORMATION

The Russian Relief Association of St Sergius of Radonezh Limited as an individual entity incorporated and domiciled in Australia. Russian Relief Association of St Sergius of Radonezh Limited is a company limited by guarantee.

## DIRECTORS

Dr Andrew Pesce  
Mr Nick Pitchuev  
Mr. Nicholas Maksymow  
Mr Igor Kazagrandi  
Dr Irene Rotenko-Harvey  
Mr Michael Apollonov  
Mrs Tatiana Prolov  
Dr Don Zakroczymski  
Mr Michael Vladimiroff  
Mr Bill Konstantinidis

## REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Russian Relief Association of St Sergius of Radonezh Limited  
1 Gilbert Street  
Cabramatta NSW 2166

## BANKERS

Westpac Banking Corporation  
Commonwealth Bank of Australia

## AUDITOR

Mr Charles M Pitt  
CM Pitt & Co  
Chartered Accountants  
STRATHFIELD NSW 2135

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**RUSSIAN RELIEF ASSOCIATION OF ST SERGIUS OF RADONEZH LIMITED**  
**ABN: 20 071 400 470**

**RESPONSIBLE ENTITIES' REPORT**

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

**1. Responsible Entities (Directors) Details**

The qualifications, experience and special responsibilities (if any) of the Directors in office at any time during the financial year and at the date of the report are:

<u>NAME</u>	<u>QUALIFICATIONS &amp; EXPERIENCE</u>	<u>SPECIAL RESPONSIBILITIES</u>
Dr. Andrew Pesce	Specialist Medical Practitioner	President, Member of: Finance Committee Risk and Audit Committee Quality Care Advisory Body
Mr. Nick Pitchuev	City Council Officer	1st Vice-President Member of IT Committee
Mr. Nicholas Maksymow	Managing Director Aged Care Facility	2nd Vice-President Treasurer from 9/2/2023 Member of: Finance Committee Risk and Audit Committee
Mr. Victor Ignatenko	Retired Accountant	Treasurer resigned 9/02/2023 Member of Finance Committee
Mr. Igor Kazagrandi	Lawyer	Director, Member of: Risk and Audit Committee
Dr. Irene Rotenko-Harvey	Specialist Medical Practitioner	Secretary, Member of: Risk and Audit Committee Quality Care Advisory Body
Mr. Michael Apollonov	Food Authority Specialist/Retired	Director, Member of: Resident Welfare Committee Resident Advisory Body / Resident - Relative Meeting
Mr. Michael Dubinin	Salesman/Retired	Director, Member of: Resident Welfare Committee Resigned 19/06/2023
Mrs. Tatiana Prolov	Retired Forensic Scientist	Director, Member of: Resident Welfare Committee Resident Advisory Body / Resident - Relative Meeting
Dr. Don Zakroczymski	Work, Health & Safety Professional	Director, Member of: Risk and Audit Committee Building Committee
Mr. Michael Vladimiroff	Retired Chartered Accountant	Director, Member of: Finance Committee from 9/03/2023
Mr. Bill Konstantinidis	Actuarial& Risk Consultant	Director from 13/07/2023

**RUSSIAN RELIEF ASSOCIATION OF ST SERGIUS OF RADONEZH LIMITED**  
**ABN: 20 071 400 470**

**RESPONSIBLE ENTITIES' REPORT**

The Directors have been in Office, since the start of the financial year to the date of the report unless otherwise stated.

During the financial year, ten (10) meetings of the Company's Responsible Entities (Directors) were held. Each Responsible Entity (Director) of the Company attended the following number of meetings:

<u>NAME</u>	<u>NUMBER OF BOARD MEETINGS ELIGIBLE TO ATTEND</u>	<u>NUMBER OF BOARD MEETINGS ATTENDED</u>
Andrew Pesce	10	10
Nick Pitchuev	10	9
Nicholas Maksymow	10	9
Irina Rotenko-Harvey	10	10
Michael Apollonov	10	6
Igor Kazagrandi	10	6
Michael Dubinin	10	4
Victor Ignatenko	6	6
Tatiana Prolov	10	8
Don Zakroczymski	10	10
Michael Vladimiroff	2	2
Bill Konstantinidis	-	-

**2. Principal Activities and Significant Changes in Activities**

The principal activities of the Russian Relief Association of St Sergius of Radonezh Limited (Russian Relief Association) during the financial year were to provide:

- Accommodation and support services for the aged;
- Ancillary services related to the provision of these services;
- Home care services.

**Short-term Objectives**

The Russian Relief Association's short-term objective is to achieve improved performance within the constraint of providing high quality services to residents and clients whilst ensuring the long-term sustainability of the Russian Relief Association. To expand the attendance at daycare and provide home care packages.

**Long-term Objectives:**

Provision of residential accommodation and support services for the aged and to be financially viable for the long term.

**3. Results Review**

The net profit after tax was \$2,959,360, compared to 2022 year's net profit after tax of \$1,908,929. The Russian Relief Association is exempt from income tax.

**4. Financial Position**

The entity is in a very strong financial position with Net Assets totalling \$68,527,049, compared to \$65,567,689 for year in 2022.

**RUSSIAN RELIEF ASSOCIATION OF ST SERGIUS OF RADONEZH LIMITED**  
**ABN: 20 071 400 470**

**RESPONSIBLE ENTITIES' REPORT**

**Results Overview**

**5. Business Strategies and Performance**

The Russian Relief Association operates as a not-for-profit organisation depending on recurrent Commonwealth Government support augmented by donations, residents' contributions, bequests and interest on investments.

The Russian Relief Association will continue to invest in the refurbishment of its aged care facilities to maintain modern standards of best practice and maintain optimal occupancy.

The Russian Relief Association is committed to attracting and retaining quality staff who are committed to assisting and nursing the aged.

The Directors are committed to the needs of both residents and their families.

**6. After Balance Date Events**

There have been no significant after balance date events outside the normal operations of the company.

**7. Auditor's Independence Declaration**

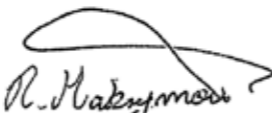
The lead auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on page 5 of the financial report.

Signed in accordance with a Resolution of the Board of Responsible Entities.



Dr Andrew Pesce  
 President

Dated: 14 September 2023



Mr Nicholas Maksymov  
 Treasurer

C M PITT & CO  
 Chartered Accountants

TELEPHONE: (02) 9715 1555  
 FACSIMILE: (02) 9715 1566

CHARLES M PITT B Bus Dip Ag. FCA  
 ABN: 73 591 425 854

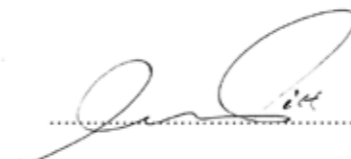
6/2 PHILIP STREET  
 STRATHFIELD NSW 2135  
 PO BOX 580  
 E-MAIL: cpitt@cmpitt.com.au

**AUDITOR'S INDEPENDENCE DECLARATION**  
**UNDER SUBDIVISION 60-C SECTION 60-40 OF THE**  
**AUSTRALIAN CHARITIES AND NOT-FOR -PROFITS COMMISSION ACT 2012**

To: The Directors of Russian Relief Association of St Sergius of Radonezh Limited

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 set out in the Australian 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.

Signature: 

Name of Firm: CM Pitt & Co

Name of Partner: Mr Charles M Pitt

Date: 14 September 2023

Address: Unit 6, 2 Philip Street, Strathfield NSW 2135



Liability limited by a scheme approved under Professional Standards Legislation  
 All correspondence: PO Box 580, STRATHFIELD NSW 2135

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 \$	2022 \$
<b>REVENUE FROM CONTINUING OPERATIONS</b>	<b>2.1</b>	<b>23,906,892</b>	<b>21,369,985</b>
<b>OTHER INCOME</b>			
Investment Income			
Interest		554,631	102,674
<b>TOTAL REVENUE AND OTHER INCOME</b>		<b>24,461,523</b>	<b>21,472,659</b>
<b>EXPENDITURE</b>			
Depreciation expenses		1,158,310	1,084,448
Donation		6,480	1,580
Employee Benefits expenses		14,090,584	12,543,549
Occupancy expenses		822,611	795,535
Residents expenses		2,883,034	2,943,247
Other expenses		2,541,144	2,195,371
<b>TOTAL EXPENDITURE</b>		<b>21,502,163</b>	<b>19,563,730</b>
<b>SURPLUS/ (DEFICIT) FROM ORDINARY ACTIVITIES</b>		<b>2,959,360</b>	<b>1,908,929</b>
<b>Other comprehensive income</b>			
Revaluation of property, plant and equipment		-	-
Other comprehensive income for the year		-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>2,959,360</b>	<b>1,908,929</b>

The statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

 STATEMENT OF FINANCIAL POSITION  
 AS AT 30 JUNE 2023

	NOTE	2023 \$	2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	<b>4.1</b>	25,052,893	23,112,140
Trade debtors and other receivables	<b>4.2</b>	1,169,486	817,593
Inventories	<b>2.3</b>	43,616	-
<b>Total current assets</b>		<b>26,265,995</b>	<b>23,929,733</b>
<b>NON-CURRENT ASSETS</b>			
Land & buildings	<b>5.1</b>	48,716,742	47,993,906
Furniture & equipment	<b>5.2</b>	2,712,554	2,627,770
<b>Total non-current assets</b>		<b>51,429,296</b>	<b>50,621,676</b>
<b>TOTAL ASSETS</b>		<b>77,695,291</b>	<b>74,551,409</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade creditors and other payables	<b>4.3</b>	1,696,131	1,468,175
Refundable Accommodation Deposits	<b>4.4</b>	5,046,383	5,409,862
Employee benefits	<b>3.1</b>	1,827,566	1,619,037
<b>Total current liabilities</b>		<b>8,570,080</b>	<b>8,497,074</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	<b>3.1</b>	598,162	486,646
<b>Total non-current liabilities</b>		<b>598,162</b>	<b>486,646</b>
<b>TOTAL LIABILITIES</b>		<b>9,168,242</b>	<b>8,983,720</b>
<b>NET ASSETS</b>		<b>68,527,049</b>	<b>65,567,689</b>
<b>COMMITMENT FOR EXPENDITURE</b>	<b>6.1</b>	<b>2,000,000</b>	<b>2,000,000</b>
<b>FUNDS</b>			
Accumulated funds		40,698,347	37,738,987
Asset revaluation reserve		27,828,702	27,828,702
<b>TOTAL FUNDS</b>		<b>68,527,049</b>	<b>65,567,689</b>

The statement of financial position is to be read in conjunction with the attached notes.

STATEMENT OF CHANGES IN FUNDS  
 FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	ACCUMULATED FUNDS	ASSET REVALUA-TION RESERVE	TOTAL FUNDS
<b>BALANCE AT 30 JUNE 2021</b>		<b>35,830,058</b>	<b>27,828,702</b>	<b>63,658,760</b>
Net surplus		1,908,929	-	1,908,929
Other comprehensive income		-	-	-
Total comprehensive income		1,908,929	-	1,908,929
<b>BALANCE AT 30 JUNE 2022</b>		<b>37,738,987</b>	<b>27,828,702</b>	<b>65,567,689</b>
Net surplus		2,959,360	-	2,959,360
Other comprehensive income		-	-	-
Total comprehensive income		2,959,360	-	2,959,360
<b>BALANCE AT 30 JUNE 2023</b>		<b>40,698,347</b>	<b>27,828,702</b>	<b>68,527,049</b>

Details of reserves included in Statement of Changes in Funds  
 Asset revaluation reserve

This reserve is used to record movements in the fair value of freehold land and buildings.

The statement of changes in funds is to be read in conjunction with the attached notes.

 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 \$ INFLOW (OUTFLOW)	2022 \$ INFLOW (OUTFLOW)
<b>Cash flows from Operating activities</b>			
Receipts from Commonwealth Government		16,839,796	15,381,476
Residents fees		3,866,291	3,437,136
Community Support Services - Grants		640,862	390,865
Community Support Services Respite and Transport Grant		295,784	281,607
Community Support Services - Client Contributions		19,298	13,491
Aged care RN Grant		74,514	-
Payments to suppliers and employees		(19,809,162)	(18,381,083)
		1,927,383	1,123,492
Interest received		324,506	105,532
Covid -19 Support Receipts		-	203,624
Receipts from Rents		214,885	326,236
Receipts from Others		1,803,388	994,095
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2.4</b>	<b>4,270,162</b>	<b>2,752,979</b>
<b>Cash flows from Investing activities</b>			
Purchase of equipment and building progress payments		(1,965,930)	(1,734,992)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(1,965,930)</b>	<b>(1,032,795)</b>
<b>Cash flows from Financing activities</b>			
Refundable Accommodation Deposits - Received		1,799,305	1,378,103
Refundable Accommodation Deposits - Paid		(2,162,784)	(2,673,241)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(363,479)</b>	<b>(1,295,138)</b>
Net Increase/(Decrease) In Cash Held		1,940,753	(277,151)
Cash & Cash Equivalents at beginning of year		23,112,140	23,389,291
<b>CASH &amp; CASH EQUIVALENTS AT END OF YEAR</b>	<b>4.1</b>	<b>25,052,893</b>	<b>23,112,140</b>

**CASH**

For purposes of the Statement of Cash Flows, cash includes deposits at call which are readily convertible to cash of hand.

The statement of cash flows is to be read in conjunction with the attached notes.

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2023

**1.1 Corporate information**

The Russian Relief Association of St Sergius of Radonezh Limited as an individual entity incorporated and domiciled in Australia. Russian Relief Association of St Sergius of Radonezh Limited is a company limited by guarantee. The company is a registered charity with the Australian Charities and Not-for-Profit Commission which is exempt from income tax.

The financial report of the not-for-profit company The Russian Relief Association of St Sergius of Radonezh Limited for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the directors on 14 September, 2023.

The principal place of business is:  
Russian Relief Association of St Sergius of Radonezh Limited  
1 Gilbert Street  
Cabramatta NSW 2166

**Members guarantee**

The liability of the members is limited by guarantee. Every member of the Company undertakes to contribute to the property of the Company in the event of the same being wound up while he/she is a member or within one year after he/she ceases to be a member for payment of the debts and liabilities of the Company contracted before he/she ceased to be a member and for the costs, charges and expenses of winding up and for the adjustment of the rights of the contributors among themselves such amount as may be required not exceeding twenty dollars (\$20.00). At 30 June 2023 there were 229 members (30 June 2022 - 277 members).

**1.2 Basis of Preparation**

The general-purpose financial report has been prepared in accordance with the requirements of the Australian Charities and Not-for-profits Commission (ACNC) Act 2012, Australian Accounting Standards, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The company is a not for profit entity for the purpose of preparing financial statements.

**Historical cost convention**

The financial report has been prepared on the basis of historical cost (based on the fair value of the consideration given in exchange for assets) except for the following.

- Land and buildings are measured at fair value less accumulated depreciation on buildings and any impairment losses.

**Currency and rounding of amounts**

The financial report is presented in Australian dollars, which is the company's functional and presentation currency.

 NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2023

**1.3 Significant Accounting Policies**

The significant accounting policies documenting the measurement basis used in preparing the financial information and other accounting information relevant to an understanding of the financial report are discussed in the relevant note.

**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, in which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are recognised inclusive of GST. The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities that is recoverable from or payable to the Australian Taxation Office is classified as operating cash flows.

**1.4 Significant accounting judgements, estimates and assumptions**

The preparation of financial information requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

Specific accounting judgements and estimates are discussed in the relevant note.

**2.1 Revenue**
**(a) Disaggregation of revenue**

Revenue has been disaggregated based on type of goods or services provided and source of funds

	2023	2022
Type of good or service	\$	\$
Residents' Fees & Subsidies	20,355,379	18,443,530
Commonwealth Home Support Programme	955,944	685,963
Home Care Service	1,227,757	918,075
Transition Care Service	549,208	51,480
Retention Bonus	-	129,340
Covid -19 Grants	502,782	790,821
Renting Independent Living Unit & Other	214,885	326,236
Staff Replacement Training	14,840	22,610
Reward clinical skills and leadership for registered nurses	74,514	-
Membership	1,820	1,930
Other	9,763	-
	<b>23,906,892</b>	<b>21,369,985</b>

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2023

**Source of Funds 2023**

	REVENUE FROM CONTRACTS WITH CUSTOMERS (AASB 15)	REVENUE UNDER AASB 1058	TOTAL
	\$___	\$___	\$___
Government	19,647,219	-	19,647,219
Residents	4,233,250	-	4,233,250
Members	1,820	-	1,820
Other	24,603	-	24,603
	<b>23,906,892</b>	-	<b>23,906,892</b>

**Source of Funds 2022**

	REVENUE FROM CONTRACTS WITH CUSTOMERS (AASB 15)	REVENUE UNDER AASB 1058	TOTAL
	\$___	\$___	\$___
Government	17,240,618	-	17,240,618
Residents	4,104,827	-	4,104,827
Members	1,930	-	1,930
Other	22,610	-	22,610
	<b>21,369,985</b>	-	<b>21,369,985</b>

**(b) Revenue from Government sources**

	2023	2022
	\$___	\$___
<b>Commonwealth government</b>		
Department of Health	19,098,011	17,189,138
<b>State government</b>		
Liverpool Hospital	549,208	51,480
<b>Local government</b>	-	-
	<b>19,647,219</b>	<b>17,240,618</b>

**Economic dependency**

The company (RRA) is dependent upon the ongoing receipt of grants from the Commonwealth Department of Health shown in the table above to ensure the continuance of its health care and community services.

 NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2023

**(c) Revenue recognition policy for revenue from contracts with customers (AASB 15)**

AASB 15 requires revenue to be recognised when control of a promised good or service (performance obligations) is passed to the customer at an amount which reflects the expected consideration. The customer for these contracts is usually the fund provider. Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

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

Interest from deposits with Australian banks is recognised on an accrual basis using the effective interest method.

Donations and Bequest are treated as income at the time they are received or credited to the Company.

**Significant estimates and judgements relating to revenue**

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions with several parties at the corporation, review of the proposal documents prepared phase and consideration of the terms and conditions.

Grants received by the company have been accounted for under AASB 15 depending on the terms and conditions and decisions made.

If this determination was changed then the revenue recognition pattern would be different from that recognised in this financial report.

Several parties at the company, review of the proposal documents prepared phase and consideration of the terms and conditions.

**2.2 Expenses**

	2023	2022
	\$___	\$___
Auditor's remuneration		
Audit of the financial report	27,500	26,000
Other Services	3,500	3,500
	<b>31,000</b>	<b>29,500</b>

**Expenses accounting policy**

All expenditure is accounted for on an accruals basis and has been classified under headings reflecting the relevant function of the corporation which incurred the cost. Where costs cannot be directly attributed to a particular category, they have been allocated to activities on a basis consistent with use of the resources.

**2.3 Inventories**

	2023 \$	2022 \$
Consumables - personal care	43,616	-
	<b>43,616</b>	-

**2.4 Cash flows information**
**Reconciliation of Cash flow from operations with profit from ordinary activities**

	2023 \$	2022 \$
Net Cash provided by Operations	4,270,162	2,752,979
Depreciation	(1,158,310)	(1,084,448)
Entry Contributions	-	-
<b>Change in Operating Assets &amp; Liabilities</b>		
Change in receivables	382,199	338,597
Change in payables	(227,956)	83,696
Change in stock	43,616	(57,943)
Change in employee benefits	(320,045)	(158,804)
Change in prepayments	(30,306)	34,852
<b>Profit for the year</b>	<b>2,959,360</b>	<b>1,908,929</b>

**3.1 Employee provisions**

	2023 \$	2022 \$
Personal leave - current	273,783	262,936
Annual leave - current	1,173,744	1,043,013
Long-service leave - current	149,540	121,662
Provision for Superannuation - current	230,499	191,426
Long-service leave - non-current	598,162	486,646
	<b>2,425,728</b>	<b>2,105,683</b>

**Employee benefits accounting policy**

Employee benefits comprise wages and salaries, personal leave, annual leave, long-service leave and contributions to superannuation plans.

Liabilities for short-term employee benefits expected to be wholly settled within 12 months of the reporting date in respect of employees' services up to the reporting date are recognised at the when the liabilities are settled. Liabilities for personal leave are recognised when the leave is taken and are measured at the amounts expected to be paid rates paid or payable.

The liability for long-term benefits is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to anticipated future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

**NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2023**
**3.2 Related parties and related-party transactions**

(a) Directors' compensation  
The directors act in an honorary capacity and receive no compensation for their services.

(b) Transactions with director-related entities  
No amounts are payable to or receivable from directors or director-related entities at the reporting date.

(c) Key management personnel compensation  
The compensation paid to key management personnel during the year was \$830,895 (2022:\$778,709).

**4.1 Cash and cash equivalents**

	2023 \$	2022 \$
Cash at bank	3,660	164,429
Cash at call	3,850,000	500,000
Term deposits	21,196,233	22,444,711
Cash on hand	3,000	3,000
	<b>25,052,893</b>	<b>23,112,140</b>

**Cash accounting policy**

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and Term deposits with an original maturity of one year where the investment is convertible to known amounts of cash value. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

**4.2 Trade debtors and other receivables**

	2023 \$	2022 \$
Accrued Interest	278,578	48,453
Prepayments	44,540	74,846
Other debtors	783,660	683,984
Security bonds	62,708	10,310
<b>Total trade debtors and other receivables</b>	<b>1,169,486</b>	<b>817,593</b>



NOTES TO AND FORMING PART OF THE ACCOUNTS  
 FOR THE YEAR ENDED 30 JUNE 2023

**4.3 Trade creditors and other payables**

	2023 \$	2022 \$
Trade creditors	745,851	539,566
Other creditors	225,280	203,609
Residents Entry Contributions - Independent living units	725,000	725,000
Home Care Packages	-	-
<b>Total trade creditors and other payables</b>	<b>1,696,131</b>	<b>1,468,175</b>

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 with the amount normally paid within 30 days of recognition of the liability.

Entry contributions are amounts paid by individuals & occupied independent living units. The liabilities are reduced in accordance with the various resident agreements. These reductions are recorded as income in the statement of profit or loss and other comprehensive income. Repayment of the contributions are also in accordance with the various resident agreements. Interest is not payable on these liabilities.

**4.4 Refundable accommodation deposits**

	2023 \$	2022 \$
	5,046,383	5,409,862

Non - Supported Residents admitted to any aged care facilities before 01 July, 2014 paid an Accommodation Bond. Non - supported residents admitted to any aged care facilities first time after this date can choose to pay Refundable Accommodation Deposit (RAD) lump sum or by Daily Accommodation Payment (DAP). The RAD is money placed on deposit with Russian Relief Association with no interest payable to the residents. The amount refundable is on agreement with the Association less any amounts have agreed to have deducted. The Association maintains all its cash deposits at Authorised Deposit-taking institution (ADI) to cover repayments of bonds. The Investment Management Strategy (IMS) is in accordance with the Aged Care Act 1997. Refundable accommodation payments both deposits and bonds are refundable within 14 days.

**4.5 Financial risk management**

The company's financial instruments consist mainly of deposits with bank accounts receivables and payables.

The totals for each category of financial instruments, measured in accordance with AASB 9 are as follows:

 NOTES TO AND FORMING PART OF THE ACCOUNTS  
 FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	WITHIN 1 YEAR		TOTAL CONTRACTUAL CASH FLOW	
		2023	2022	2023	2022
<b>Financial assets</b>		\$	\$	\$	\$
Cash at bank	4.1	3,660	164,429	3,660	164,429
Cash at call	4.1	3,850,000	500,000	3,850,000	500,000
Term deposits	4.1	21,196,233	22,444,711	21,196,233	22,444,711
Cash on hand	4.1	3,000	3,000	3,000	3,000
		<b>25,052,893</b>	<b>23,112,140</b>	<b>25,052,893</b>	<b>23,112,140</b>
Trade debtors and other receivables	4.2	1,169,486	817,593	1,169,486	817,593
<b>Total financial assets</b>		<b>26,222,379</b>	<b>23,929,733</b>	<b>26,222,379</b>	<b>23,929,733</b>
<b>Financial Liabilities</b>					
Trade creditors	4.3	745,851	539,566	745,851	539,566
Other creditors	4.3	225,280	203,609	225,280	203,609
Residents Entry Contributions	4.3	725,000	725,000	725,000	725,000
Home Care Packages	4.3	-	-	-	-
RAD	4.4	5,046,383	5,409,862	5,046,383	5,409,862
<b>Total Financial Liabilities</b>		<b>6,742,514</b>	<b>6,878,037</b>	<b>6,742,514</b>	<b>6,878,037</b>

**Specific Financial Risk Exposures and Management**

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and equity price risk.

**(a) Credit Risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the company.

The Company does not have any material credit risk exposure as its major source of revenue is the receipt of Commonwealth Government funding for aged care services. Credit risk is further mitigated as 80% of the revenue being received from Commonwealth Government is in accordance with funding agreements which ensure regular funding for a period of 3 years with renewal of the accreditation as an aged care provider.

**(b) Exchange Rate Risk Exposures**

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 4.2.

The company has no significant concentration of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables are

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2023

provided in Note 4.2

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved Board policy. Such policy requires that surplus funds are only invested with Authorised Deposit-taking Institution (ADI) that are Australian banks.

**(c) Liquidity Risk**

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The company manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financial activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

 NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2023

**5.1 Land & Buildings**

	AGED CARE LAND	AGED CARE & INDEPENDENT LIVING UNITS BUILDINGS	LAND & OTHER BUILDINGS	BUILDING WORK IN PROGRESS	TOTAL
	\$	\$	\$	\$	\$
<b>Cost of fair value</b>					
<b>Balance 1 July 2022</b>	12,000,000	32,561,492	2,447,552	984,862	47,993,906
Additions	-	1,375,703	-	65,481	1,441,184
Disposals	-	-	-	-	-
Valuation Increase	-	-	-	-	-
<b>Balance 30 June 2023</b>	<b>12,000,000</b>	<b>33,937,195</b>	<b>2,447,552</b>	<b>1,050,343</b>	<b>49,435,090</b>
Less:					
<b>Depreciation and impairment 2022/2023</b>					
Disposals	-	-	-	-	-
Depreciation	-	(674,077)	(44,271)	-	(718,348)
	-	(674,077)	(44,271)	-	(718,348)
<b>Balance 30 June 2023</b>	<b>12,000,000</b>	<b>33,263,118</b>	<b>2,403,281</b>	<b>1,050,343</b>	<b>48,716,742</b>

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2023

	AGED CARE LAND	AGED CARE & INDEPENDENT LIVING UNITS BUILDINGS	LAND & OTHER BUILDINGS	BUILDING WORK IN PROGRESS	TOTAL
	\$	\$	\$	\$	\$
<b>Cost of fair value</b>					
<b>Balance 1 July 2021</b>	12,000,000	32,330,889	2,460,224	785,220	47,576,333
Additions	-	870,290	22,850	199,642	1,092,782
Disposals	-	-	-	-	-
Valuation increase	-	-	-	-	-
<b>Balance 30 June 2022</b>	<b>12,000,000</b>	<b>33,201,179</b>	<b>2,483,074</b>	<b>984,862</b>	<b>48,669,115</b>
<b>Less</b>					
<b>Depreciation and impairment 2021/2022</b>					
Disposals	-	-	-	-	-
Depreciation	-	(639,687)	(35,522)	-	(675,209)
	-	(639,687)	(35,522)	-	(675,209)
<b>Balance 30 June 2022</b>	<b>12,000,000</b>	<b>32,561,492</b>	<b>2,447,552</b>	<b>984,862</b>	<b>47,993,906</b>
<b>Net carrying amount</b>					
<b>At 30 June 2023</b>	<b>12,000,000</b>	<b>33,263,118</b>	<b>2,403,281</b>	<b>1,050,343</b>	<b>48,716,742</b>
<b>At 30 June 2022</b>	<b>12,000,000</b>	<b>32,561,492</b>	<b>2,447,552</b>	<b>984,862</b>	<b>47,993,906</b>

 NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2023

**5.2 Furniture & Equipment**

	2023 \$	2022 \$
Furniture and equipment - at cost	6,626,971	6,102,225
Less: Provision for depreciation	(3,914,417)	(3,474,455)
<b>Total Furniture and Equipment</b>	<b>2,712,554</b>	<b>2,627,770</b>

**Movement in Carrying Amounts**

The movement in the carrying amounts for Furniture and Equipment between the beginning and the end of the current financial year:

	2023 \$	2022 \$
The total at beginning of the year:	2,627,770	2,394,801
Capital Additions	524,746	642,210
Write back of depreciation	-	-
Depreciation	(439,962)	(409,241)
Disposals	-	-
	<b>2,712,554</b>	<b>2,627,770</b>

**Property, plant and equipment accounting policies**

Freehold land and buildings are measured using cost or at fair value with sufficient regularity, to ensure the carrying amounts do not differ materially from the assets fair value at the reporting date. Directors' valuations are used if an independent valuation does not take place during annual reporting period.

Plant and equipment are measured using the cost model method.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

**Depreciation**

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

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2023

The estimated useful life for each class of depreciable asset are:

Buildings	40 years
Plant and Equipment	5 - 20 years
Furniture and Fittings	5 - 20 years

**Impairment**

The carrying amount of all fixed assets is reviewed annually by directors to ensure it is not in excess of the recoverable amount of those assets indicating impairment. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining the recoverable.

**6.1 Commitments**

	2023 \$	2022 \$
Purchase of adjoining property 2A Gilbert Street	-	800,000
Upgrading of residents accommodation	-	1,200,000
Renovation of 40 residential units	2,000,000	-
	<b>2,000,000</b>	<b>2,000,000</b>

**6.2 Contingencies**

There are no contingent assets or liabilities that have been incurred by the Company in relation to 2023.

**6.3 Events subsequent to reporting period**

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

**RUSSIAN RELIEF ASSOCIATION OF ST SERGIUS OF RADONEZH LIMITED**  
**ABN: 20 071 400 470**

**DIRECTORS' DECLARATION**


In the opinion of the Responsible Entities (Directors) of Russian Relief Association of St Sergius of Radonezh Limited:

a) The financial statements and notes of Russian Relief Association of St Sergius of Radonezh Limited are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

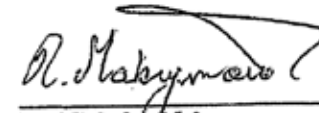
(i) Giving a true and fair view of its financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

(ii) Complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Australian Charities and Not-for-profit its Commission Regulation 2013; and

b) There are reasonable grounds to believe that Russian Relief Association of St Sergius of Radonezh Limited will be able to pay its debts as and when they become due and payable.



Dr Andrew Pesce  
President



Mr Nicholas Makysmov  
Treasurer

Dated: 14 September 2023

C M PITT & CO  
 Chartered Accountants

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 FACSIMILE: (02) 9715 1566

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 PO BOX 580

CHARLES M PITT B Bus Dip Ag. FCA  
 ABN: 73 591 425 854

E-MAIL: cpitt@cmpitt.com.au

**INDEPENDENT AUDIT REPORT  
 TO THE MEMBERS OF RUSSIAN RELIEF ASSOCIATION  
 OF ST SERGIUS OF RADONEZH LIMITED  
 ABN: 20 071 400 470**

**Report on the Audit of the Financial Report**

**Opinion**

I have audited the financial report of Russian Relief Association of St Sergius of Radonezh Limited, which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible entities' declaration.

In my opinion, the financial report of Russian Relief Association of St Sergius of Radonezh Limited, has been prepared in accordance with Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2023 and of its financial performance for the year ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and division 60 the Australian Charities and Not-for-profits Commission Regulation 2013. basis for opinion.

**Basis for opinion**

I conducted my 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 an independent of the registered entity in accordance with the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) 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 my 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.



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**Directors' Responsibility for the Financial Report**

The Directors of the Russian Relief Association of St Sergius of Radonezh Limited, are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Charities & Not for Profits Commission Act 2012. The Directors' responsibility also includes such internal control as to determine the committee 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 committee is responsible for assessing the Russian Relief Association of St Sergius of Radonezh Limited's, ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibility 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 my 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 the financial report.

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



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- Conclude on the appropriateness of 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 those charged with governance 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.



**Charles M Pitt**  
**C M PITT & CO**  
**CHARTERED ACCOUNTANTS**  
Unit 6 & 7, 2 Philip Street Strathfield NSW 2135

CA ANZ Membership No. 20180  
Registered Company Auditor No. 2944

Dated: 14 September 2023



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*St Sergius*  
**AGED CARE**

Russian Relief Association of St Sergius of Radonezh  
Trading as St Sergius Aged Care

## 2022/2023 Annual Report



*St Sergius*  
AGED CARE

Residential Care | CHSP | Independent Living Units | Home Care Program

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Russian Relief Association of St Sergius of Radonezh  
Trading as St Sergius Aged Care