Migrant Resource Centre (Southern Tasmania) Incorporated Financial Statements 30 June 2017



INCOME & EXPENDITURE STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	NOTES	2017 \$	2016 \$
INCOME			
Government Grants		2,621,262	2,355,650
CDC - Consumer Direct Care		1,361,079	1,276,099
Donations		33,222	5,880
Interest		38,423	38,111
Memberships		441	515
Self Funded & Other	11	482,435	485,124
Operating Income	_	4,536,862	4,161,379
EXPENDITURE			
Accounting Fees		32,438	15,372
Administration Fee		7,118	22,251
Advertising		270	185
Audit Fees		23,161	14,189
Bank Fees		1,452	470
Board & Governance Expenses		735	6,552
Cleaning		40,542	24,547
Computer Expenses		26,216	17,701
Consultancy		133,575	67,641
Depreciation		82,650	82,606
Donations, Flowers & Tributes		1,291	1,012
Electricity		39,058	22,763
Equipment		28,695	25,789
Group Activities	12	61,786	48,327
Health & Safety		507	481
Insurance		23,583	21,069
Interest Paid		3,449	1,036
Language Services		40,524	33,062
Legal Fees		9,049	4,372
Magazines & Periodicals		505	387
Materials & Resources		1,346	5,491
Meals		21,353	23,887
Memberships & Registrations		14,821	18,088
Motor Vehicle Expenses		33,686	49,237
Outsourced Aged Care Services	13	1,033,405	941,417
Photocopier Expenses		15,740	12,672
Postage		5,184	4,343
Printing & Stationery		19,066	20,079
Professional Development		34,382	20,001
Professional Services		8,957	6,929
Rates, Taxes & Rent	15	149,939	218,444
Repairs & Maintenance		3,507	6,707
Salaries & Associated Costs	14	2,551,435	2,368,100
Security Expenses		2,966	2,151
Storage Costs		2,413	480
Staff & Visitor Amenities		3,359	3,675
Telephone Expenses		38,221	32,795
Travel & Accomodation		19,817	13,687
Total Expenditure	_	4,516,201	4,157,995
NET SURPLUS/(DEFICIT)		20,661	3,384
	_		

BALANCE SHEET AS AT 30 JUNE 2017

	NOTES	2017 \$	2016 \$
<u>ASSETS</u>			
Current Assets			
Cash	2	1,570,628	1,492,138
Debtors & Other Assets	3	63,325	116,944
Prepayments	3	73,733	80,941
Accrued Income	3	34,596	7,442
Total Current Assets	_	1,742,282	1,697,465
Non-current Assets			
Property	4	882,672	886,653
Furniture, Equipment & Motor Vehicles	5	379,195	277,092
Total Non-current Assets	_	1,261,867	1,163,745
TOTAL ASSETS	_	3,004,149	2,861,210
<u>LIABILITIES</u>			
Current Liabilities			
Creditors & Accruals	6	613,115	549,332
Provisions	7	212,435	191,650
Grants & Allocations	8	683,349	639,907
Total Current Liabilities	_	1,508,899	1,380,889
Non-current Liabilities			
Provisions	7	49,640	55,372
Total Non-current Liabilities	, <u> </u>	49,640	55,372
TOTAL LIABILITIES	_	1,558,539	1,436,261
NET ASSETS	_	1,445,610	1,424,949
EQUITY			
Retained Earnings	9	945,610	924,949
Asset Revaluation Reserve		500,000	500,000
TOTAL EQUITY	<u> </u>	1,445,610	1,424,949
		<u> </u>	

This financial statement should be read in conjuction with the notes to the accounts

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	NOTES	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants Received		2,664,704	2,569,263
Receipts from Customers		1,894,519	1,774,323
Interest Received		38,423	38,111
Interest Paid		(3,449)	(1,036)
Payments to Suppliers and Employees		(4,307,765)	(3,958,477)
Net Cash Inflow from Operating Activities	16	286,432	422,184
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant & Equipment		(181,331)	(150,469)
Proceeds from Sale of Property, Plant & Equipment		100	47,500
Net Cash Inflow (Outflow) from Investing Activities		(181,231)	(102,969)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		-	85,040
Repayment of Borrowings		(26,711)	-
Net Cash Inflow (Outflow) from Financing Activities		(26,711)	85,040
Net (Decrease) Increase in Cash and Cash Equivalents		78.490	404,255
Cash at the Beginning of the Financial Year		1,492,138	1,087,883
Cash and Cash Equivalents at the End of Year	2	1,570,628	1,492,138

This financial statement should be read in conjuction with the notes to the accounts

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

1. SUMMARY OF ACCOUNTING POLICIES

General System of Accounting underlying the Financial Statements

The financial report has been prepared using the historic cost convention. It has been prepared in accordance with the requirements of the Associations Incorporation Act Tasmania 1964 and the following Australian Accounting Standards:

AASB 101 Presentation of Financial Statements

AASB 107 Statement of Cash Flows

AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors

AASB 1031 Materiality

AASB 110 Events After Balance Sheet Date

AASB 1048 Interpretation of Standards

AASB 1054 Australian Additional Disclosures.

Accounting Policies which have been significant in the Preparation and Presentation of the Accounts

(a) Property, Plant & Equipment

Property is initiallty recognised at cost. In the 2015 financial year Molle Street was revalued by Opteon Property Group; certified valuers, to reflect market value. Furniture, equipment and motor vehicles are included at cost.

(b) Depreciation

Depreciation is provided on furniture, equipment and freehold buildings. Furniture and equipment depreciation is calculated or a straight line basis so as to write off the net cost of each asset during its expected useful life. Freehold buildings are depreciated at 3% diminishing value, motor vehicles are depreciated on the diminishing value method over their estimated useful economic lives; furniture and equipment is depreciated over 4 to 12.5 years; new motor vehicles are depreciated at 15%, existing vehicles continue at 20%.

(c) Income Tax

The Association is an exempt body under section 23(e) of the Australian Income Tax Assessment Act 1936 (as amended) and in accordance with a ruling from the Deputy Commissioner of Taxation.

	2017	2016
	\$	\$
2. CASH		
ANZ Bank	20,511	10,889
ANZ Investment Account	1,041,580	1,478,489
ANZ Migration Account	300	-
ANZ Term Deposit	505,977	-
Cash on Hand	2,260	2,760
Total	1,570,628	1,492,138

	2017	2016
3. RECEIVABLES AND OTHER DEBTORS		
a) Debtors & Other Assets		
Accounts Receivable	42,779	103,982
Salary Sacrifice Equipment	-	1,438
GST & PAYG Tax Receivable / (Payable)	20,546	11,524
	63,325	116,944
b) Prepayments		
Prepaid Expenses General	1,658	20,571
Prepaid IT Service	6,162	5,915
Prepaid Insurance	65,913	54,455
	73,733	80,941
c) Accrued Income		
Accrued income	948	7,442
Accrued income- CDC	57,534	-
Provision for Doubtful Debt- CDC	(23,886)	-
	34,596	7,442
Total	171,654	205,327
4. PROPERTY (See also Note 1 (a))		
Land & Buildings	900,000	900,000
Improvements at Cost	142,830	142,830
Provision for Depreciation	(160,158)	(156,177)
Total	882,672	886,653

	2017	2016
5. FURNITURE, EQUIPMENT & MOTOR VEHICLES		
Furniture and Equipment at Cost	627,586	460,320
Provision for Depreciation	(351,096)	(289,298)
Total Furniture & Equipment	276,490	171,022
Motor Vehicles at Cost	171,318	174,889
Provision for Depreciation	(68,613)	(68,819)
Total Motor Vehicles	102,705	106,070
Total	379,195	277,092
6. CREDITORS & BORROWINGS		
Accruals	271,674	124,776
Bonds - Rental Properties	6,620	4,274
Car Loan	71,839	98,550
Creditors	196,728	277,634
Credit Cards	5,265	4,536
New Driver Excess	466	466
Accrued Wages & Salaries	60,523	39,096
Total	613,115	549,332
7. EMPLOYEE PROVISIONS		
Provision for Long Service Leave - Current	60,980	58,008
Provision for Long Service Leave - Non-current	49,640	55,372
Provision for Annual Leave	151,455	133,642
Total	262,075	247,022

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

8. GRANT & ALLOCATIONS	2017 \$	2016 \$
ACOMMU	-	50,000
AADM -Databases	10,358	-
AADM- Communications	31,000	55,588
CDC Client Funds	303,959	260,061
CDCACS	25,000	-
EOTHER	-	5,000
PASTT	82,123	93,963
PBSCFW	35,000	51,873
Phoenix Centre Development	7,512	7,511
POTHER	-	20,000
SFRUIT	7,000	-
SCONNE	-	1,921
SCOSKI	72,537	21,040
SCSLM2	-	13,616
SLDTCF	8,860	-
SINSPI	-	10,000
SMIAAA - Migration Advisor IAAAS	-	10,000
SMICRO	-	5,000
SMSIRS- Migrant Support	-	25,000
SOCENT	75,000	-
SSHORE	25,000	-
STAFE1	-	9,334
Total	683,349	639,907

Grant & Allocations liability reflects grant income received in advance and grant funds received and unspent at the end of the financial year.

9. EQUITY

RETAINED EARNINGS

Opening Balance	924,949	921,565
Net Surplus/(Deficit)	20,661	3,384
Total	945,610	924,949
Asset Revaluation Reserve	500,000	500,000

10. CONTINGENT LIABILITIES

There are no known contingent liabilities at year end.

	2017 \$	2016 \$
11. OTHER & SELF FUNDED INCOME		
Building User Fee	16,067	3,292
Gain / (Loss) on Sale of Assets	(459)	2,489
HACC Multicultral Seniors Club	28,799	29,285
Other Income	300,462	309,413
Rental Income	137,566	140,645
Total	482,435	485,124
12. GROUP ACTIVITIES		
Activities	61,786	48,327
Total	61,786	48,327
13. OUTSOURCED AGED CARE SERVICES Services relate to the Consumer Direct Care program:		
Client Support Services	775,841	748,119
CDC Doubtful Debts Expense	23,886 233,678	102.200
Client Support Consumables	1,033,405	193,298 941,417
14. SALARIES & ASSOCIATED COSTS		
Wages & Salaries	2,272,202	2,077,633
Superannuation	211,467	196,931
Leave Provisions	31,475	(5,030)
Workers Compensation	26,189	22,549
Redundancy & Associated Costs	10,102	76,017
Total	2,551,435	2,368,100
15. RENTS, RATES & TAXES		
Rates & Taxes	1,894	2,593
Rent	148,045	215,851
Total	149,939	218,444

16. CASH FLOW INFORMATION	\$	\$
TO, COST FLOW INFORMATION		
Reconciliation of cash flow from operations with surplus from operations:		
Surplus/(Deficit) for the year	20,661	3,384
Depreciation	82,650	82,606
(Gain)/Loss on Sale of Assets	459	(2,489)
Changes in Assets and Liabilities		
Decrease / (Increase) in Debtors & Other Assets	53,619	(84,330)
Decrease / (Increase) in Prepayments	7,208	(14,831)
Decrease / (Increase) in Accruals	(27,154)	20,732
(Decrease) / Increase in Provisions	15,053	(6,650)
(Decrease) / Increase in Creditors & Accruals	90,494	148,842
(Decrease) / Increase in Grant Allocation	43,442	274,920
	286,432	422,184
17. AUDIT REMUNERATION		
Remuneration of the auditor, Wise Lord & Ferguson for:		
Auditing the financial statements and grant acquittals	13,200	12,700
Other services	28,900	12,946
Total	42,100	25,646



INDEPENDENT AUDITOR'S REPORT

Migrant Resource Centre (Southern Tasmania) Incorporated

Report on the Audit of the Financial Report

We have audited the financial report of Migrant Resource Centre (Southern Tasmania) Incorporated, which comprises the balance sheet as at 30 June 2017, the income and expenditure statement and statement of cash flows for the year 30 June 2017 then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial report of Migrant Resource Centre (Southern Tasmania) Incorporated has been prepared in accordance with the *Associations Incorporation Act (Tas)* and Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012* (ACNC Act), including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2017 and of its financial performance for the year 30 June 2017 then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, the Associations Incorporations Act (Tas) and Division 60 of the ACNC Act.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the registered entity in accordance with the Associations Incorporations Act (Tas), the 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Association's financial reporting responsibilities under the Associations Incorporation Act (Tas) and the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Liability limited by a scheme approved under Professional Standards Legislation.

Responsibility of the Association's Board for the Financial Report

The Association's Board of Migrant Resource Centre (Southern Tasmania) Incorporated 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 *Associations Incorporation Act (Tas)* and the *ACNC Act* and the needs of the members. The Association's Board responsibility also includes such internal control as the Association's Board 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 Association's Board are responsible for assessing the Association'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 Association's Board either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

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 the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism 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 our
 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of Associations' 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 Associations' ability to continue as a going concern. If we conclude that a material
 uncertainty exists, we are required to draw attention in our auditor's report to the

related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our 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 Association 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.

We 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 we identify during our audit.

JOANNE DOYLE

Partner

Wise Lord & Ferguson

Dated: 2 Ocrosor 2017