

Migrant Resource Centre (Southern Tasmania) Incorporated

FINANCIAL STATEMENTS

30 JUNE 2018

MIGRANT RESOURCE CENTRE (SOUTHERN TASMANIA) INCORPORATED
T/A MIGRANT RESOURCE CENTRE TASMANIA

INCOME & EXPENDITURE STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	NOTES	2018 \$	2017 \$
<u>INCOME</u>			
Government Grants		2,943,392	2,621,262
CDC - Consumer Direct Care		1,317,568	1,361,079
Client Services Income		762,609	16,067
Donations		2,352	33,222
Interest		35,076	38,423
Memberships		252	441
Other	11	759,682	466,368
Total Operating Income		5,820,931	4,536,862
<u>EXPENDITURE</u>			
Accounting & Audit Fees		35,423	55,599
Administration Fee		316	7,118
Advertising		7,043	270
Bank Fees		850	1,452
Board & Governance Expenses		3,358	735
Cleaning		43,164	40,542
Computer Expenses		65,359	26,216
Consultancy		56,093	133,575
Depreciation		94,308	82,650
Donations, Flowers & Tributes		1,611	1,291
Electricity		47,184	39,058
Equipment		42,166	28,695
Group Activities		47,262	61,786
Health & Safety		909	507
Insurance		26,335	23,583
Interest Paid		3,568	3,449
Language Services		59,078	40,524
Legal Fees		13,266	9,049
Materials & Resources		2,114	1,851
Meals		60,657	21,353
Memberships & Registrations		17,438	14,821
Motor Vehicle Expenses		48,289	33,686
Outsourced Aged Care Services	12	1,088,000	1,033,405
Photocopier Expenses		20,949	15,740
Postage		5,537	5,184
Printing & Stationery		26,804	19,066
Professional Development		39,586	34,382
Professional Services		9,119	8,957
Rates, Taxes & Rent	14	356,604	149,939
Repairs & Maintenance		10,957	3,507
Salaries & Associated Costs	13	3,947,453	2,551,435
Security Expenses		11,760	2,966
Sundry Expenses		1,336	-
Storage Costs		7,796	2,413
Staff & Visitor Amenities		6,351	3,359
Telephone Expenses		66,388	38,221
Travel & Accommodation		61,053	19,817
Total Operating Expenditure		6,335,484	4,516,201
NET OPERATING SURPLUS/(DEFICIT)		(514,553)	20,661
Gain on Sale of Property	1 (c)	604,328	-
		604,328	-

TOTAL NET SURPLUS

89,775

20,661

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

MIGRANT RESOURCE CENTRE (SOUTHERN TASMANIA) INCORPORATED
T/A MIGRANT RESOURCE CENTRE TASMANIA

BALANCE SHEET
AS AT 30 JUNE 2018

	NOTES	2018 \$	2017 \$
<u>ASSETS</u>			
<i>Current Assets</i>			
Cash	2	2,613,165	1,570,628
Debtors & Other Assets	3	72,367	42,779
Prepayments	3	19,116	73,733
Accrued Income	3	121,441	34,596
Total Current Assets		2,826,089	1,721,736
<i>Non-current Assets</i>			
Property	4	-	882,672
Furniture, Equipment & Motor Vehicles	5	448,566	379,195
Total Non-current Assets		448,566	1,261,867
TOTAL ASSETS		3,274,655	3,004,149
<u>LIABILITIES</u>			
<i>Current Liabilities</i>			
Creditors & Accruals	6	667,138	592,569
Provisions	7(a)	270,962	212,435
Grants & Allocations	8	732,195	683,349
Total Current Liabilities		1,670,295	1,488,353
<i>Non-current Liabilities</i>			
Provisions	7(b)	68,976	49,640
Total Non-current Liabilities		68,976	49,640
TOTAL LIABILITIES		1,739,271	1,558,539
NET ASSETS		1,535,385	1,445,610
<u>EQUITY</u>			
Retained Earnings	9	1,535,385	945,610
Asset Revaluation Reserve		-	500,000
TOTAL EQUITY		1,535,385	1,445,610

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

MIGRANT RESOURCE CENTRE (SOUTHERN TASMANIA) INCORPORATED
T/A MIGRANT RESOURCE CENTRE TASMANIA

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	NOTES	2018 \$	2017 \$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Operating Grants Received		2,943,392	2,664,704
Receipts from Customers		3,210,639	1,894,519
Interest Received		35,076	38,423
Interest Paid		(3,568)	(3,449)
Payments to Suppliers and Employees		(6,431,652)	(4,307,765)
Net Cash Inflow (Outflow) from Operating Activities	15	(246,113)	286,432
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Payments for Property, Plant & Equipment		(151,679)	(181,331)
Proceeds from Sale of Property, Plant & Equipment		1,432,226	100
Net Cash Inflow (Outflow) from Investing Activities		1,280,547	(181,231)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Repayment of Borrowings		8,103	(26,711)
Net Cash Inflow (Outflow) from Financing Activities		8,103	(26,711)
Net Increase (Decrease) in Cash and Cash Equivalents		1,042,537	78,490
Cash at the Beginning of the Financial Year		1,570,628	1,492,138
Cash and Cash Equivalents at the End of Year	2	2,613,165	1,570,628

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

**MIGRANT RESOURCE CENTRE (SOUTHERN TASMANIA) INCORPORATED
T/A MIGRANT RESOURCE CENTRE TASMANIA**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

1. SUMMARY OF ACCOUNTING POLICIES

General System of Accounting underlying the Financial Statements

The directors have prepared the financial statements on the basis that the Incorporated Association is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. The Incorporated Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

AASB 101 Presentation of Financial Statements
AASB 107 Statement of Cash Flows
AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors
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) Furniture, Equipment & Motor Vehicles

Furniture, equipment and motor vehicles are measured at cost less depreciation and any impairment losses.

The carrying amount of furniture, equipment and motor vehicles is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

(b) Depreciation

Furniture and equipment depreciation is calculated on either straight line basis or diminishing value method so as to write off the net cost of each asset during its expected useful life. Motor vehicles are depreciated on a diminishing value basis over their estimated useful economic lives.

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

Furniture & Equipment	8%-25%
Motor Vehicles	15%-20%
Building & Improvements	3%-10%

(c) Property Disposal

The property at 49 Molle Street was sold on 29 June 2018. On disposal, the difference between the disposal proceeds and the property's carrying amount was recognised in profit or loss. As the property had been previously revalued, the amount sitting in the revaluation reserve, which related in full to Molle Street, was transferred to retained profits directly.

(d) 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.

(e) Related Party Transactions

During the course of the financial year no services of organisations in which Members of the Board have a relationship on a commercial basis has been entered into. If conflicts of interest arose Board Members have complied with the conflicts of interest policy and have, where appropriate, decline to participate in Board discussion and decision making.

MIGRANT RESOURCE CENTRE (SOUTHERN TASMANIA) INCORPORATED
T/A MIGRANT RESOURCE CENTRE TASMANIA

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
2. CASH		
ANZ Bank	201,418	20,511
ANZ Investment Account	1,871,619	1,041,580
ANZ Migration Account	19,939	300
ANZ Term Deposit	517,079	505,977
Cash on Hand	3,110	2,260
Total	2,613,165	1,570,628
3. RECEIVABLES AND OTHER DEBTORS		
a) Debtors & Other Assets		
Accounts Receivable	29,593	42,779
Receivable Due on Sale of Property	42,774	-
	72,367	42,779
b) Prepayments		
Prepaid Expenses General	1,738	1,658
Prepaid IT Service	6,846	6,162
Prepaid Insurance	10,532	65,913
	19,116	73,733
c) Accrued Income		
Accrued Income	106,696	948
Accrued Income- CDC	14,745	57,534
Provision for Doubtful Debt- CDC	-	(23,886)
	121,441	34,596
Total	212,924	171,654
4. PROPERTY		
Land & Buildings	-	900,000
Improvements at Cost	-	142,830
Provision for Depreciation	-	(160,158)
Total	-	882,672

MIGRANT RESOURCE CENTRE (SOUTHERN TASMANIA) INCORPORATED
T/A MIGRANT RESOURCE CENTRE TASMANIA

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
5. FURNITURE, EQUIPMENT & MOTOR VEHICLES		
Furniture and Equipment at Cost	741,974	627,586
Provision for Depreciation	(416,727)	(351,096)
Total Furniture & Equipment	325,247	276,490
Motor Vehicles at Cost	207,885	171,318
Provision for Depreciation	(84,566)	(68,613)
Total Motor Vehicles	123,319	102,705
Total	448,566	379,195

6. CREDITORS & BORROWINGS

Accruals	321,324	271,674
GST & PAYG Tax Payable / (Receivable)	79,269	(20,546)
Bonds - Rental Properties	4,930	6,620
Car Loan	79,942	71,839
Creditors	38,890	196,728
Credit Cards	25,172	5,265
New Driver Excess	466	466
Revenue Received in Advance	8,626	-
Superannuation Payable	31,320	-
Accrued Wages & Salaries	77,199	60,523
Total	667,138	592,569

7. EMPLOYEE PROVISIONS

(a) Current Provisions

Provision for Long Service Leave - Current	67,075	60,980
Provision for Annual Leave	203,887	151,455
Total	270,962	212,435

(b) Non - Current Provisions

Provision for Long Service Leave - Non-current	68,976	49,640
	68,976	49,640
Total	339,938	262,075

**MIGRANT RESOURCE CENTRE (SOUTHERN TASMANIA) INCORPORATED
T/A MIGRANT RESOURCE CENTRE TASMANIA**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
8. GRANT & ALLOCATIONS		
Research Grants	16,127	-
Corporate Services	-	41,358
Aged Care Services	439,149	328,959
Phoenix Services	38,503	124,635
Settlement Services	238,416	188,397
Total	732,195	683,349

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	1,445,610	924,949
Net Surplus/(Deficit)	89,775	20,661
Total	1,535,385	945,610
Asset Revaluation Reserve	-	500,000

10. CONTINGENT LIABILITIES

There are no known contingent liabilities at year end.

11. OTHER INCOME

Client Attendance Fees	26,365	28,799
CDC Contingency Funds	118,959	67,250
Humanitarian Settlement Program	171,761	-
Other Income	128,164	233,212
Rental Income	314,433	137,566
Gain / (Loss) on Sale of Assets	-	(459)
Total	759,682	466,368

12. OUTSOURCED AGED CARE SERVICES

Services relate to the Consumer Direct Care program:

Client Support Services	798,745	775,841
CDC Doubtful Debts Expense	-	23,886
Client Support Consumables	289,255	233,678
	1,088,000	1,033,405

MIGRANT RESOURCE CENTRE (SOUTHERN TASMANIA) INCORPORATED
T/A MIGRANT RESOURCE CENTRE TASMANIA

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
13. SALARIES & ASSOCIATED COSTS		
Wages & Salaries	3,447,032	2,272,202
Superannuation	332,287	211,467
Leave Provisions	86,629	31,475
Workers Compensation	36,003	26,189
Redundancy & Associated Costs	23,734	10,102
Other Employment Costs	21,768	-
Total	3,947,453	2,551,435

14. RENTS, RATES & TAXES

Rates & Taxes	729	1,894
Rent	355,875	148,045
Total	356,604	149,939

MRC Tas rents commercial property at 1A Antfield Street, Glenorchy and 27 Patterson Street, Launceston as well as maintains a housing portfolio utilised for short term accommodation.

15. CASH FLOW INFORMATION

Reconciliation of cash flow from operations with surplus from operations:

Surplus/(Deficit) for the year	89,775	20,661
Depreciation	94,308	82,650
(Gain)/Loss on Sale of Assets	(604,328)	459
Doubtful Debts	(23,886)	-
Changes in Assets and Liabilities		
Decrease / (Increase) in Debtors & Other Assets	13,186	53,619
Decrease / (Increase) in Prepayments	54,617	7,208
Decrease / (Increase) in Accrued Income	(62,960)	(27,154)
(Decrease) / Increase in Provisions	77,863	15,053
(Decrease) / Increase in Creditors & Accruals	66,466	90,494
(Decrease) / Increase in Grant Allocation	48,846	43,442
	(246,113)	286,432

16. AUDIT REMUNERATION

Remuneration of the auditor, Wise Lord & Ferguson for:

Auditing the financial statements and grant acquittals	18,400	13,200
Other services	-	28,900
Total	18,400	42,100

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 2018, the income and expenditure statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the financial report of Migrant Resource Centre (Southern Tasmania) Incorporated 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 2018 and of its financial performance for the year then 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

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 *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 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 registered entity's financial reporting responsibilities under 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 Board of Management for the Financial Report

The Board of Management of the registered entity 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 ACNC Act. The Board of Management's responsibility also includes such internal control as the Board of Management 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 Board of Management are responsible for assessing the registered entity'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 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of 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 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 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.

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

Wise Lord & Ferguson

Date: 8 October 2018