

Migrant Resource Centre (Southern Tasmania) Incorporated

FINANCIAL STATEMENTS

30 JUNE 2019

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

**STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

	NOTES	2019 \$	2018 \$
Revenue from Operations	2	6,699,350	5,820,931
		6,699,350	5,820,931
Employee Benefits Expense	3	4,584,799	3,987,039
Operational Expenses		2,248,800	2,018,796
Depreciation and Amortisation	4	102,000	94,308
Administration Expenses		252,175	235,341
		7,187,774	6,335,484
OPERATING SURPLUS/(DEFICIT)		(488,424)	(514,553)
Non-recurring Funding		1,070,948	-
Gain on Sale of Property	1 (c)	-	604,328
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		582,524	89,775

The accompanying notes form part of these financial statements.

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019**

	NOTES	2019 \$	2018 \$
<u>ASSETS</u>			
<i>Current Assets</i>			
Cash	5	3,347,156	2,613,165
Debtors & Other Assets	6	593,373	72,367
Prepayments	6	99,963	19,116
Accrued Income	6	57,785	121,441
Total Current Assets		4,098,277	2,826,088
<i>Non-current Assets</i>			
Furniture, Equipment & Motor Vehicles	7	353,570	448,566
Total Non-current Assets		353,570	448,566
TOTAL ASSETS		4,451,847	3,274,655
<u>LIABILITIES</u>			
<i>Current Liabilities</i>			
Creditors & Accruals	8	833,991	667,138
Provisions	9(a)	322,303	270,962
Grants & Allocations	10	1,076,332	732,195
Total Current Liabilities		2,232,626	1,670,295
<i>Non-current Liabilities</i>			
Provisions	9(b)	24,666	68,976
Total Non-current Liabilities		24,666	68,976
TOTAL LIABILITIES		2,257,292	1,739,271
NET ASSETS		2,194,555	1,535,385
EQUITY			
Retained Earnings		2,194,555	1,535,385
TOTAL EQUITY		2,194,555	1,535,385

The accompanying notes form part of these financial statements.

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

	NOTES	Retained Earnings \$	Asset Revaluation Reserve \$	Total Equity \$
BALANCE AT 30 JUNE 2017		945,610	500,000	1,445,610
Surplus/(Deficit)		89,775		89,775
Other Comprehensive Income for the year		-	-	-
Transfers		500,000	(500,000)	-
BALANCE AT 30 JUNE 2018		1,535,385	-	1,535,385
Surplus/(Deficit)		582,524	-	582,524
Other Comprehensive Income for the year		-	-	-
Prior Year Adjustment	1(f)	76,646	-	76,646
BALANCE AT 30 JUNE 2019		2,194,555	-	2,194,555

The accompanying notes form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

	NOTES	2019 \$	2018 \$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Operating Grants Received		3,600,192	2,943,392
Receipts from Customers		4,143,695	3,210,639
Interest Received		56,594	35,076
Interest Paid		(3,430)	(3,568)
Payments to Suppliers and Employees		(7,000,770)	(6,431,652)
Net Cash Inflow (Outflow) from Operating Activities	12	796,281	(246,113)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Payments for Furniture, Equipment & Motor Vehicles		(7,648)	(151,679)
Proceeds from Sale of Property, Plant & Equipment		643	1,432,226
Net Cash Inflow (Outflow) from Investing Activities		(7,005)	1,280,547
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Repayment of Borrowings		(55,285)	8,103
Net Cash Inflow (Outflow) from Financing Activities		(55,285)	8,103
Net Increase (Decrease) in Cash and Cash Equivalents		733,991	1,042,537
Cash at the Beginning of the Financial Year		2,613,165	1,570,628
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	5	3,347,156	2,613,165

The accompanying notes form part of these financial statements.

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

NOTES TO AND FORMING PART OF THE ACCOUNTS

AS AT 30 JUNE 2019

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 &	8%-25%
Equipment	
Motor Vehicles	15%-20%

(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 in the revaluation reserve, which related in full to Molle Street, was transferred to retained profits directly.

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

NOTES TO AND FORMING PART OF THE ACCOUNTS

AS AT 30 JUNE 2019

(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, declined to participate in Board discussion and decision making.

(f) Prior Year Adjustment

In 2019 it was identified that a liability was being accrued in excess of the required payment. The adjustment reflected accruals taken up in relation to the Government funding over more than one year. To remedy the situation the Association has chosen to disclose a prior year increase in retained earnings so as not to impact the disclosed 2019 trading position.

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 2019

	2019	2018
	\$	\$
2. REVENUE		
Operating Revenue		
Government Grants	3,179,409	2,943,392
Consumer Direct Care	1,290,138	1,436,527
Subcontractor Revenue	1,534,857	934,370
Donations	11,477	2,352
Interest	56,594	35,076
Memberships	255	252
	6,072,730	5,351,969
Other Revenue		
Aged Care Revenue	26,723	26,365
Other Income	31,074	66,061
Rental Income	363,419	314,433
Fee for Service	205,404	62,103
	626,620	468,962
Total Revenue	6,699,350	5,820,931
3. EMPLOYEES BENEFITS EXPENSE		
Wages & Salaries	4,114,214	3,470,766
Superannuation	376,640	332,287
Leave Provisions	7,030	86,629
Workers Compensation	41,886	36,003
Training & Development	26,442	39,586
Other Employment Costs	18,587	21,768
Total	4,584,799	3,987,039
4. DEPRECIATION & AMORTISATION		
Depreciation - Furniture & Equipment	78,644	72,587
Depreciation - Motor Vehicles	23,356	21,721
	102,000	94,308
5. CASH		
ANZ Bank	63,671	201,418
ANZ Investment Account	1,230,210	1,871,619
ANZ Migration Account	25,608	19,939
ANZ Term Deposits	2,024,257	517,079
Cash on Hand	3,410	3,110
Total	3,347,156	2,613,165

**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 2019**

	2019 \$	2018 \$
6. RECEIVABLES AND OTHER DEBTORS		
a) Debtors & Other Assets		
Accounts Receivable	588,859	29,593
Payroll Clearing	1,314	-
Rental Bonds Receivable	3,200	-
Receivable Due on Sale of Property	-	42,774
	593,373	72,367
b) Prepayments		
Prepaid Expenses General	5,373	1,738
Prepaid IT Service	11,454	6,846
Prepaid Insurance	83,136	10,532
	99,963	19,116
c) Accrued Income		
Accrued Income	8,417	106,696
Accrued Income - CDC	49,368	14,745
	57,785	121,441
Total	751,121	212,924
7. FURNITURE, EQUIPMENT & MOTOR VEHICLES		
Furniture and Equipment at Cost	573,790	741,974
Provision for Depreciation	(319,540)	(416,727)
Total Furniture & Equipment	254,250	325,247
Motor Vehicles at Cost	203,886	207,885
Provision for Depreciation	(104,566)	(84,566)
Total Motor Vehicles	99,320	123,319
Total	353,570	448,566

**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 2019**

	2019 \$	2018 \$
8. CREDITORS & BORROWINGS		
Accruals	333,984	321,790
GST & PAYG Tax Payable / (Receivable)	156,567	79,269
Bonds - Rental Properties	1,010	4,930
Car Loan	24,656	79,942
Creditors	150,163	38,890
Credit Cards	25,460	25,172
Revenue Received in Advance	17,976	8,626
Superannuation Payable	32,669	31,320
Accrued Wages & Salaries	91,506	77,199
Total	833,991	667,138
9. EMPLOYEE PROVISIONS		
(a) Current Provisions		
Provision for Long Service Leave - Current	98,140	67,075
Provision for Annual Leave	224,163	203,887
Total	322,303	270,962
(b) Non - Current Provisions		
Provision for Long Service Leave - Non-current	24,666	68,976
	24,666	68,976
Total	346,969	339,938
10. GRANT & ALLOCATIONS		
Research Grants	18,750	16,127
Corporate Services	15,337	-
Aged Care Services	344,566	439,149
Phoenix Services	349,697	38,503
Settlement Services	347,982	238,416
Total	1,076,332	732,195

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

**MIGRANT RESOURCE CENTRE (SOUTHERN TASMANIA) INCORPORATED
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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

	2019 \$	2018 \$
11. CONTINGENT LIABILITIES		
There are no known contingent liabilities at year end.		
12. CASH FLOW INFORMATION		
Reconciliation of cash flow from operations with surplus from operations:		
Surplus/(Deficit) for the year	582,524	89,775
Depreciation	102,000	94,308
(Gain)/Loss on Sale of Assets	-	(604,328)
Doubtful Debts	-	(23,886)
Prior Year Adjustment	76,646	-
Changes in Assets and Liabilities		
Decrease / (Increase) in Debtors & Other Assets	(521,006)	13,186
Decrease / (Increase) in Prepayments	(80,847)	54,617
Decrease / (Increase) in Accrued Income	63,656	(62,960)
(Decrease) / Increase in Provisions	7,031	77,863
(Decrease) / Increase in Creditors & Accruals	222,140	66,466
(Decrease) / Increase in Grant Allocation	344,137	48,846
	796,281	(246,113)
13. AUDIT REMUNERATION		
Remuneration of the auditor, Wise Lord & Ferguson for:		
Auditing the financial statements and grant acquittals	16,800	18,400
Other services	6,765	-
Total	23,565	18,400

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

BOARD OF MANAGEMENT DECLARATION

The Directors have determined that the Association is not reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Directors of the Association declare that:

1. The financial statements and notes present fairly the entity's financial position as at 30 June 2019 and there performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the Australian Charities and Not-for-Profits Commission Act of 2012; and
2. In the Directors' opinion there are reasonable grounds to believe that the entity will be able to pay their debts as and when they become due and payable.

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



Nicholas Bedding
Chairperson
03-Oct-19



Christopher Stennard
Treasurer
03-Oct-19

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 2019, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Board of Management's 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 Association's financial position as at 30 June 2019 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 Association 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 Association'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.

Responsibility of the Board of Management for the Financial Report

The Board of Management of the Association 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 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 responsible entities 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 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 Association'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 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

Date: 3 October 2019