

Asylum Seekers Centre Incorporated

ABN 47 164 509 475

Financial Statements

For the Year Ended 30 June, 2017

Asylum Seekers Centre Incorporated

ABN 47 164 509 475

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For the Year Ended 30 June, 2017

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Asylum Seekers Centre Incorporated

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June, 2017

	Note	2017 \$	2016 \$
Grant income	3	717,632	801,256
Donations and bequests	3, 13(a)	1,918,658	1,727,857
Fundraising event revenue	3, 13(a)	112,366	182,181
Other income	3	32,186	8,013
Total income		2,780,842	2,719,307
Asylum Seeker Aid & Services			
Services			
Casework		(343,615)	(297,825)
Legal		(100,665)	(56,247)
Advocacy & Community Education		(88,162)	(71,052)
Employment Assistance		(211,967)	(165,781)
Healthcare		(153,278)	(118,565)
Education & Social support		(198,095)	(131,673)
Volunteer Management		(24,842)	(18,832)
Direct Services Management		(333,378)	(311,816)
Superannuation & Leave costs		(154,825)	(103,372)
		(1,608,827)	(1,275,163)
Financial Aid			
Direct Emergency Financial Support		(258,281)	(328,937)
Accommodation		(59,884)	(50,404)
Donations in kind		(353,110)	(227,500)
		(671,275)	(606,841)
Total Asylum Seeker Aid & Services	13(c)	(2,280,102)	(1,882,004)
Accountability, Fundraising & Running costs			
Accountability & Administration		(89,830)	(95,137)
Fundraising costs - events	13(a)	(1,225)	(8,927)
Fundraising costs - other	13(a)	(164,256)	(167,314)
Superannuation & Leave costs		(29,376)	(21,840)
Running costs		(107,142)	(66,795)
Insurance		(24,171)	(18,241)
IT costs		(90,971)	(64,713)
Building maintenance, rates & utilities		(65,977)	(91,607)
Total Accountability, Fundraising & Running Costs		(572,948)	(534,574)
Total Expenditure	13(c)	(2,853,050)	(2,416,578)
(Deficit)/Surplus before income tax		(72,208)	302,729
Income tax expense	2(a)	-	-
(Deficit)/Surplus for the year		(72,208)	302,729
Other comprehensive income for the year, net of tax		-	-
Total comprehensive (deficit)/surplus for the year		(72,208)	302,729

The accompanying notes form part of these financial statements.

Asylum Seekers Centre Incorporated

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Statement of Financial Position

As At 30 June, 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	3,454,273	861,743
Trade and other receivables	5	24,245	7,843
Current tax receivable	6	8,753	3,219
TOTAL CURRENT ASSETS		<u>3,487,271</u>	<u>872,805</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,998,629	2,003,655
TOTAL NON-CURRENT ASSETS		<u>1,998,629</u>	<u>2,003,655</u>
TOTAL ASSETS		<u>5,485,900</u>	<u>2,876,460</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	42,958	18,441
Employee benefits	9	96,495	60,174
Other financial liabilities	10	2,036,039	115,829
TOTAL CURRENT LIABILITIES		<u>2,175,492</u>	<u>194,444</u>
NON-CURRENT LIABILITIES			
Employee benefits		7,838	-
TOTAL NON-CURRENT LIABILITIES		<u>7,838</u>	<u>-</u>
TOTAL LIABILITIES		<u>2,183,330</u>	<u>194,444</u>
NET ASSETS		<u>3,302,570</u>	<u>2,682,016</u>
EQUITY			
Reserves		759,512	66,750
Retained earnings		2,543,058	2,615,266
TOTAL EQUITY		<u>3,302,570</u>	<u>2,682,016</u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity**For the Year Ended 30 June, 2017****2017**

	Retained Earnings	Reserves - Sinking Fund	Reserves - Tied Donations	Reserves - Microloans	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2016	2,615,266	50,000	-	16,750	2,682,016
(Loss) attributable to members	(72,208)	-	-	-	(72,208)
Transfer of Microloans to Receivables	-	-	-	(238)	(238)
Transfer of Tied Donation to Reserve	-	-	693,000	-	693,000
Balance at 30 June, 2017	2,543,058	50,000	693,000	16,512	3,302,570

2016

	Retained Earnings	Reserves - Sinking Fund	Reserves - Tied Donations	Reserves - Microloans	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2015	2,312,537	50,000	-	16,750	2,379,287
Surplus attributable to members	302,729	-	-	-	302,729
Balance at 30 June, 2016	2,615,266	50,000	-	16,750	2,682,016

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June, 2017

	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Grants received	1,637,842	781,630
Donations received	2,918,658	1,337,259
Proceeds from fundraising	112,366	182,181
Payments to suppliers and employees	(2,795,338)	(2,383,049)
Interest received	32,186	8,013
GST recovered/(paid)	(5,535)	4,574
Net cash provided by/(used in) operating activities	11 <u>1,900,179</u>	<u>(69,392)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	-	500
Purchase of property, plant and equipment	(411)	-
Net cash used by investing activities	<u>(411)</u>	<u>500</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in Reserves	692,762	-
Net cash used by financing activities	<u>692,762</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held	2,592,530	(68,892)
Cash and cash equivalents at beginning of year	861,743	930,635
Cash and cash equivalents at end of financial year	4 <u><u>3,454,273</u></u>	<u><u>861,743</u></u>

The accompanying notes form part of these financial statements.

Asylum Seekers Centre Incorporated

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Notes to the Financial Statements

For the Year Ended 30 June, 2017

The financial statements cover Asylum Seekers Centre Incorporated as an individual entity. Asylum Seekers Centre Incorporated is a not-for-profit Association incorporated in New South Wales under the Associations Incorporation Act (NSW) 2009 ('the Act') and Associations Incorporation Regulation (NSW) 2016 .

The principal activities of the Association for the year ended 30 June, 2017 were to provide a welcoming environment and practical support for community-based asylum seekers residing in New South Wales, while building community support and pursuing social justice outcomes for asylum seekers.

The functional and presentation currency of Asylum Seekers Centre Incorporated is Australian dollars.

In 2017, the comparative balances for certain expenditure items have been re-classified for consistency with the current period presentation. These re-classifications had no effect on the reported results of the operations.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of the Committee of Management, the Association is not a reporting entity since there are no users dependent on general purpose financial statements. These special purpose financial statements have been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements are based on historical cost, and have been prepared on the accrual basis and in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Asylum Seekers Centre Incorporated receives non-reciprocal contributions of assets from other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Notes to the Financial Statements

For the Year Ended 30 June, 2017

2 Summary of Significant Accounting Policies

(b) Revenue and other income

Grants received, from other parties, are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Donations

Donations and bequests are recognised as revenue when received.

Where donations or bequests require certain conditions to be met, the donations are recognised at fair value where there is reasonable assurance that the funds will be received and all conditions set by the donor will be met. Donations relating to expense items are recognised as income over the periods necessary to match the donations to the costs they are compensating. Donations relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Interest revenue

Interest is recognised as revenue when received.

(c) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date at fair value.

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.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	10 %
Motor Vehicles	20 %
Improvements	2.5 %

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

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Notes to the Financial Statements

For the Year Ended 30 June, 2017

2 Summary of Significant Accounting Policies

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, on demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(f) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

3 Revenue and Other Income

	2017	2016
	\$	\$
Revenue		
- Donations	1,565,548	1,485,357
- Donations in kind	353,110	242,500
Total donation revenue	<u>1,918,658</u>	<u>1,727,857</u>
- Grant income	717,632	801,256
- Fundraising event revenue	112,366	182,181
Total Revenue	<u><u>2,748,656</u></u>	<u><u>2,711,294</u></u>
Other Income		
- Interest income	32,186	8,013
Total Revenue and Other Income	<u><u>2,780,842</u></u>	<u><u>2,719,307</u></u>

4 Cash and cash equivalents

Cash at bank and in hand	241,092	61,051
Short-term bank deposits	3,213,181	800,692
	<u><u>3,454,273</u></u>	<u><u>861,743</u></u>

5 Trade and other receivables

CURRENT		
Trade receivables	21,226	-
Micro loans	3,019	7,798
Other receivables	-	45
Total current trade and other receivables	<u><u>24,245</u></u>	<u><u>7,843</u></u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

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Notes to the Financial Statements

For the Year Ended 30 June, 2017

6 Tax

	2017	2016
	\$	\$
GST receivable	8,753	3,219

7 Property, plant and equipment

Land & buildings		
At cost	1,949,907	1,949,907
Plant and equipment		
At cost	41,829	41,418
Accumulated depreciation	(41,418)	(41,418)
Total plant and equipment	411	-
Motor vehicles		
At fair value	15,000	15,000
Accumulated depreciation	(3,500)	-
Total motor vehicles	11,500	15,000
Leasehold Improvements		
At cost	38,748	38,748
Accumulated depreciation	(1,937)	-
Total leasehold improvements	36,811	38,748
Total plant and equipment	48,722	53,748
Total property, plant and equipment	1,998,629	2,003,655

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and Buildings	Plant and Equipment	Motor Vehicles	Improvements	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2017					
Balance at the beginning of year	1,949,907	-	15,000	38,748	2,003,655
Additions	-	411	-	-	411
Depreciation expense	-	-	(3,500)	(1,937)	(5,437)
Balance at the end of the year	1,949,907	411	11,500	36,811	1,998,629

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Notes to the Financial Statements

For the Year Ended 30 June, 2017

8 Trade and other payables

	2017	2016
	\$	\$
Current		
PAYG withholding payables	19,794	18,237
Other payables	23,164	204
	<u>42,958</u>	<u>18,441</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

9 Employee Benefits

Current liabilities		
Provision for employee benefits	96,495	60,174

10 Other Financial Liabilities

CURRENT		
Unspent grants and donations	2,036,039	115,829

Unspent grants and donation income

The unspent grants and donation income represent grants and donations which are tied to expenditure on specified future projects.

11 Cash Flow Information

Reconciliation of net income to net cash provided by operating activities:

Surplus for the year	(72,208)	302,729
Non-cash flows in profit:		
- depreciation	5,437	-
- loss on disposal of motor vehicle	-	4,200
- motor vehicle donated in kind	-	(15,000)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(16,402)	28,556
- (increase)/decrease in tax receivable	(5,535)	4,574
- increase/(decrease) in trade and other payables	24,517	7,692
- increase/(decrease) in unspent grants and donations	1,920,210	(410,224)
- increase/(decrease) in provisions	44,160	8,081
Cashflows from operations	<u>1,900,179</u>	<u>(69,392)</u>

12 Statutory Information

The registered office of and principal place of business of the Association is:

Asylum Seekers Centre Incorporated
43 Bedford Street
Newtown NSW 2042

Notes to the Financial Statements

For the Year Ended 30 June, 2017

13 Information Required Under The Charitable Fundraising Act 1991 (NSW)

(a) Fundraising Income & Expense

Details of aggregate gross income and total expenses in fundraising appeals:

	2017	2016
	\$	\$
Donations	1,565,548	1,485,357
Donations in kind	353,110	242,500
Total donations	1,918,658	1,727,857
Fundraising event revenue	112,366	182,181
Fundraising income	2,031,024	1,910,038
Fundraising costs - events	(1,225)	(8,927)
Fundraising costs - other	(164,256)	(167,314)
Fundraising expenses	(165,481)	(176,241)
Total	1,865,543	1,733,797

(b) Application of funds for charitable purposes

Funds collected from fundraising appeals were fully utilised during the year, to provide additional financial support for the services provided.

(c) Additional Information Required Under Charitable Fundraising Act 1991 (NSW)

	A	B	2017	2016
	\$	\$	A/B (%)	A/B (%)
Total cost of fundraising appeals(A)/ Gross Income from fundraising appeals (B)	165,481	2,031,024	8.15	9.23
Net surplus from fundraising (A)/ Gross income from fundraising appeals (B)	1,865,543	2,031,024	91.85	90.77
Total cost of services (A)/ Total expenditure (B)	2,280,102	2,853,050	79.92	77.88
Total cost of services (A)/ Total income received (B)	2,280,102	2,780,842	81.99	69.21

(d) Fundraising appeals conducted during the year:

Fundraising appeals conducted under the Charitable Fundraising Act 1991 (NSW) included direct appeals for donations, community fundraising activities and other events.

Asylum Seekers Centre Incorporated

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Declaration by Members of the Committee of Management

In the opinion of the Committee of Management (the Board), the financial report as set out on pages 1 to 10:

1. Present fairly the financial position of Asylum Seekers Centre Incorporated as at 30 June, 2017 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board, and the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.
2. The provisions of the *Charitable Fundraising Act 1991 (NSW)*, the Regulations under the Act and the conditions attached to the authority to fundraise have been complied with by the Asylum Seekers Centre Incorporated, and the internal controls exercised by the organisation are appropriate and effective in accounting for all income received and applied by the Asylum Seekers Centre Incorporated from any of its fundraising appeals.
3. At the date of this statement, there are reasonable grounds to believe that Asylum Seekers Centre Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:

Chair
Clare Petre

Dated this day of 2017

Asylum Seekers Centre Incorporated

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Independent Audit Report to the members of Asylum Seekers Centre Incorporated

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Asylum Seekers Centre Incorporated (the Association), which comprises the statement of financial position as at 30 June, 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

- (i) 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 ended; and
- (ii) complying with Division 60 of 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 auditor independence requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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 to assist the Association to meet the requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Asylum Seekers Centre Incorporated

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Independent Audit Report to the members of Asylum Seekers Centre Incorporated

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the 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, management is responsible for assessing the the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

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 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 the 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 the directors.

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Independent Audit Report to the members of Asylum Seekers Centre Incorporated

- Conclude on the appropriateness of the directors' 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 the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

DFK Laurence Varnay

Colin Grady
Partner

Sydney

Dated this day of2017