

BRMC

AUDITED FINANCIAL STATEMENTS 2020



Ballarat Regional
Multicultural Council Inc.



Ballarat Regional Multicultural Council (BRMC)

Cover image: Interkultura Triple D Eve Gala at the Ballarat Civic Hall
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Acknowledgement of Country

BRMC respectfully acknowledges the Wadawurrung and Dja Dja Wurrung people, their elders and community leaders, past, present and emerging - traditional custodians of the land on which we live and work.



Ballarat Regional Multicultural Council Inc

ABN: 24 776 744 519

Financial Statements

For the Year Ended 30 June 2020

Ballarat Regional Multicultural Council Inc

ABN: 24 776 744 519

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Statement of Comprehensive Income

For the Year Ended 30 June 2020

		2020	2019
	Note	\$	\$
Revenue	3	1,329,856	889,145
Employee benefits expense		(690,775)	(558,778)
Depreciation expense		(7,405)	(7,146)
Program costs		(265,773)	(129,600)
Other expenses	4	(188,088)	(176,040)
Surplus before income tax		177,815	17,581
Income tax expense	1(f)	-	-
Surplus for the year		177,815	17,581
Other comprehensive income		-	-
Total comprehensive income for the year		177,815	17,581

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118 and related interpretations.

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

Statement of Financial Position

30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	435,483	681,143
Trade and other receivables	6	67,190	13,215
Prepayments		1,595	3,475
TOTAL CURRENT ASSETS		504,268	697,833
NON-CURRENT ASSETS			
Plant and equipment	7	50,411	41,729
TOTAL NON-CURRENT ASSETS		50,411	41,729
TOTAL ASSETS		554,679	739,562
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	69,289	15,135
Provisions	9	45,587	42,212
Income in advance	10	101,280	533,278
TOTAL CURRENT LIABILITIES		216,156	590,625
NON-CURRENT LIABILITIES			
Long-term provisions	9	20,132	8,361
TOTAL NON-CURRENT LIABILITIES		20,132	8,361
TOTAL LIABILITIES		236,288	598,986
NET ASSETS		318,391	140,576
EQUITY			
Reserves		117,399	7,997
Retained surplus		200,992	132,579
TOTAL EQUITY		318,391	140,576

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118 and related interpretations.

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

Ballarat Regional Multicultural Council Inc

ABN: 24 776 744 519

Statement of Changes in Equity**For the Year Ended 30 June 2020****2020**

	BRASSN Reserve	Piano Funds Reserve	DOH Cash Reserve	Specific Purpose Funding Reserve	Retained surplus	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	2,308	5,689	-	-	132,579	140,576
Surplus for the year	-	-	-	-	177,815	177,815
Transfer from Retained Earnings	(2,308)	250	20,000	91,460	(109,402)	-
Balance at 30 June 2020	-	5,939	20,000	91,460	200,992	318,391

2019

	BRASSN Reserve	Piano Funds Reserve	DOH Cash Reserve	Specific Purpose Funding Reserve	Retained surplus	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	-	-	-	-	122,995	122,995
Surplus for the year	-	-	-	-	17,581	17,581
Transfer from Retained Earnings	2,308	5,689	-	-	(7,997)	-
Balance at 30 June 2019	2,308	5,689	-	-	132,579	140,576

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118 and related interpretations.

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2020

		2020	2019
	Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from government and communities		839,034	879,210
Payments to suppliers, employees and communities		(1,073,456)	(539,707)
Interest received		6,387	3,019
Net cash provided by/(used in) operating activities	11	(228,035)	342,522
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(17,625)	-
Proceeds from disposal of property, plant and equipment		-	5,818
Net cash provided by/(used in) investing activities		(17,625)	5,818
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase in cash held		(245,660)	348,340
Cash at beginning of year		681,143	332,803
Cash at end of financial year	5	435,483	681,143

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118 and related interpretations.

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

Basis of Preparation

This financial report is a special purpose financial statements prepared in order to satisfy the financial reporting requirements of section 60.40 of *the Australian Charities and Not-for-profits Regulation 2013*. The committee has determined that the not-for-profit Association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

These special purpose financial statements comply with the recognition and measurement requirements in Australian Accounting Standards and Interpretations.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(a) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments.

(b) Property, Plant and Equipment

Property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all property, plant and equipment is depreciated over the useful lives of the assets to the Association commencing from the time the asset is held ready for use.

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

Fixed asset class	Depreciation rate
Plant and Equipment	11.25% - 50%
Motor Vehicles	18.75%

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.

(c) 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. All provisions for employee benefits have been measured at the amounts expected to be paid when the liability is settled.

Employees benefits are presented as current liabilities in the statement of financial position if the Association does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(d) 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 entity 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 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 an income in advance liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised using the effective interest method.

(e) 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 Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(f) Income Tax

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

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Change in Accounting Policy

Revenue from Contracts with Customers - Adoption of AASB 15

The Association has adopted AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities for the first time in the current year with a date of initial application of 1 July 2019.

The Association has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

Leases - Adoption of AASB 16

The Association has adopted AASB 16 Leases using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 Leases and associated Accounting Interpretations.

Association as a lessee

Under AASB 117, the Association assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Association or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Association has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

Practical expedients used on transition

AASB 16 includes a number of practical expedients which can be used on transition, the Association has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16;
- lease liabilities have been discounted using the Association's incremental borrowing rate at 1 July 2019;
- right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- a single discount rate was applied to all leases with similar characteristics;
- the right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2019 rather than perform impairment testing of the right-of-use asset;
- excluded leases with an expiry date prior to 30 June 2020 from the statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term;

Notes to the Financial Statements

For the Year Ended 30 June 2020

Leases - Adoption of AASB 16

- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease;
- for leases which were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are the same value as the leased asset and liability on 30 June 2019.

Financial statement impact of adoption of AASB 16

The Association has not recognised any right-of-use assets, with current lease arrangements for premises being short term arrangements and excluded under the standard.

3 Revenue

	2020	2019
	\$	\$
Government and community grants	1,242,995	824,529
Fundraising and events	22,690	12,506
Other revenue	19,635	7,135
Rental income	1,853	23,258
Interest income	6,387	3,019
Sponsorship	30,364	-
Donations	5,932	18,698
	1,329,856	889,145

4 Other Expenses

Accounting & audit fees	8,115	6,881
Advertising	1,045	1,208
Consulting fees	28,725	58,646
Lease expenses	3,144	4,152
Legal expenses	6,710	3,680
Memberships & subscriptions	2,068	1,555
Motor vehicles expense	4,841	7,064
Occupancy expenses	33,291	73,825
Repairs & maintenance	78,166	3,609
Printing & stationary	10,004	4,740
Sundry expenses	11,979	10,680
	188,088	176,040

5 Cash and cash equivalents

Cash at bank and in hand	325,163	581,678
Short-term bank deposits	110,320	99,465
	435,483	681,143

Notes to the Financial Statements

For the Year Ended 30 June 2020

6 Trade and other receivables

	2020	2019
	\$	\$
Trade and other receivables	67,190	13,215
	<u>67,190</u>	<u>13,215</u>

7 Property, plant and equipment

Plant and equipment

At cost	88,738	80,149
Accumulated depreciation	(53,737)	(57,485)
	<u>35,001</u>	<u>22,664</u>

Motor vehicles

At cost	52,848	52,848
Accumulated depreciation	(37,438)	(33,783)
	<u>15,410</u>	<u>19,065</u>

Total property, plant and equipment

	<u>50,411</u>	<u>41,729</u>
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(a) Movements in Carrying Amounts

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

	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$
Year ended 30 June 2020			
Balance at the beginning of year	22,664	19,065	41,729
Additions	17,625	-	17,625
Depreciation expense	(3,750)	(3,655)	(7,405)
Disposals	(1,538)	-	(1,538)
Balance at the end of the year	<u>35,001</u>	<u>15,410</u>	<u>50,411</u>

8 Trade and other payables

	2020	2019
	\$	\$
Trade payables	21,560	4,443
Auspiced activities	1,089	-
GST payable	8,528	1,178
Superannuation payable	14,670	150
PAYG withholding payable	23,442	9,364
	<u>69,289</u>	<u>15,135</u>

Notes to the Financial Statements

For the Year Ended 30 June 2020

9 Provisions

	2020 \$	2019 \$
CURRENT		
Provision for annual leave	30,117	30,117
Long service leave	15,470	12,095
	45,587	42,212
NON-CURRENT		
Provision for long service leave	20,132	8,361
	20,132	8,361

10 Income in advance

Government grants	101,280	513,278
Department of Health cash buffer	-	20,000
	101,280	533,278

11 Cash Flow Information

Reconciliation of surplus to cash provided by operating activities:

Surplus for the year	177,815	17,581
<u>Non-cash flows in surplus:</u>		
- depreciation	7,405	7,146
- donation of plant and equipment	-	(8,700)
- (profit)/loss on disposal of plant and equipment	1,538	(168)
<u>Changes in assets and liabilities:</u>		
- (increase) decrease in trade and other receivables	(53,975)	1,952
- (increase) decrease in prepayments	1,880	14,035
- increase (decrease) in income in advance	(431,998)	318,188
- increase (decrease) in trade and other payables	54,154	(16,551)
- increase in provisions	15,146	9,039
Cash provided by operating activities	(228,035)	342,522

Notes to the Financial Statements

For the Year Ended 30 June 2020

12 Reserves

BRASSN Resrve

The BRASSN Reserve has been created to quarantine the cumulative donations and funds raised to service the Ballarat Refugee and Asylum Seeker Support Network.

Piano Funds Reserve

The Piano Funds Reserve has been created to quarantine the cumulative donations and fundraising held to purchase a grand piano by Ballarat Regional Multicultural Council for future performances.

DOH Cash Reserve

The Department of Health has provided a cash buffer of \$20,000 as the Association is experiencing low levels of cash. This money is only to be used with the consent of the Department of Health if there is an inability to make payments from other sources of cash, and is to be offset against future funding if not used.

Specific Purpose Funding Reserve

The specific purpose funding reserve is used to record the balances of unspent grant funding, where the grant funding has been recognised as revenue under Australian Accounting Standards.

13 Association Details

The registered office and principal place of operation of the association is:

Ballarat Regional Multicultural Council Inc
145 Victoria Street East
Ballarat Vic 3350

Statement by Members of the Committee

The committee has determined that the Association is not a 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.

In the opinion of the committee:


1. the financial statements present a true and fair view of the financial position of Ballarat Regional Multicultural Council Inc as at 30 June 2020 and its performance for the year then ended in accordance with the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, and
2. at the date of this statement, there are reasonable grounds to believe that Ballarat Regional Multicultural Council Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013* and a resolution of the committee by:

Chairperson


.....
Cesare Dichiera

Treasurer


.....
Andrew Tennant

Dated 5 February 2021

Ballarat Regional Multicultural Council Inc

ABN: 24 776 744 519

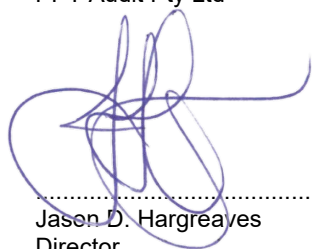
Auditors Independence Declaration To the Members of Ballarat Regional Multicultural Council Inc

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been no contraventions of:

- (i) the auditor independence requirements as set out in *Division 60 of the Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

PPT Audit Pty Ltd

.....
PPT Audit Pty Ltd



.....
Jason D. Hargreaves
Director

5 February 2021

20 Lydiard Street South, Ballarat Vic 3350

Ballarat Regional Multicultural Council Inc

Independent Audit Report to the members of Ballarat Regional Multicultural Council Inc

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Ballarat Regional Multicultural Council Inc (the Association), which comprises the statement of financial position as at 30 June 2020, the statement of 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, and statement by members of the committee.

In our opinion, the accompanying financial report of the Association for the year ended 30 June 2020 presents fairly, in all material respects, including:

- i) 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 ended;
- ii) complying with Australian Accounting Standards to the extent described in Note 1 and 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 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 confirm that the independence declaration required by Division 60 of *the Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the members of the Association, would be in the same terms if given to the members as at the time of this auditor's report.

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 of the financial report, which describes the basis of accounting. The financial report is prepared for the purpose of fulfilling the committee's financial reporting responsibilities under 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.

Responsibilities of Management and the Committee

Management is responsible for the preparation and fair presentation of the financial report in accordance with *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 is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing 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 the committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The committee is responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

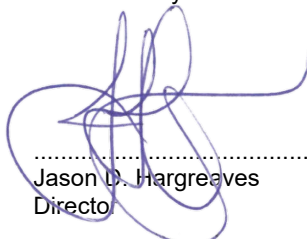
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 this 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 management.
- Conclude on the appropriateness of management's 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 committee 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.

PPT Audit Pty Ltd
PPT Audit Pty Ltd


Jason D. Hargreaves
Director

20 Lydiard Street South, Ballarat

5 February 2021

Ballarat Regional Multicultural Council Inc.

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