

BRMC

AUDITED FINANCIAL STATEMENTS 2021



Ballarat Regional Multicultural Council (BRMC)

BRMC actively promotes multiculturalism, intercultural and interfaith harmony, social cohesion and well-being of migrant communities. Our services alleviate hardship and address barriers to full participation. We help build and enable inclusive and diverse communities and economies.

Cover image: Street view of the Ballarat Welcome Centre at Barkly Square

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 2021

Ballarat Regional Multicultural Council Inc

ABN 24 776 744 519

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Ballarat Regional Multicultural Council Inc

ABN 24 776 744 519

Statement of Comprehensive Income

For the Year Ended 30 June 2021

		2021	2020
	Note	\$	\$
Revenue	2	2,058,027	1,329,856
Employee benefits expense		(1,089,954)	(690,775)
Depreciation expense		(14,764)	(7,405)
Program costs		(311,541)	(265,773)
Other expenses	3	(225,617)	(188,088)
Surplus before income tax		416,151	177,815
Income tax expense	1(f)	-	-
Surplus for the year		416,151	177,815
Other comprehensive income		-	-
Total comprehensive income for the year		416,151	177,815

The accompanying notes form part of these financial statements.

Ballarat Regional Multicultural Council Inc

ABN 24 776 744 519

Statement of Financial Position

30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,719,473	435,483
Trade and other receivables	5	29,120	67,190
Prepayments		2,183	1,595
TOTAL CURRENT ASSETS		1,750,776	504,268
NON-CURRENT ASSETS			
Plant and equipment	6	75,340	50,411
TOTAL NON-CURRENT ASSETS		75,340	50,411
TOTAL ASSETS		1,826,116	554,679
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	230,638	69,289
Provisions	8	103,235	45,587
Contracted liabilities	9	749,149	101,280
TOTAL CURRENT LIABILITIES		1,083,022	216,156
NON-CURRENT LIABILITIES			
Provisions	8	8,552	20,132
TOTAL NON-CURRENT LIABILITIES		8,552	20,132
TOTAL LIABILITIES		1,091,574	236,288
NET ASSETS		734,542	318,391
EQUITY			
Reserves		518,364	117,399
Retained surplus		216,178	200,992
TOTAL EQUITY		734,542	318,391

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 2021****2021**

	BRASSN Reserve	Piano Funds Reserve	DFFH Cash Reserve	Specific Purpose Funding Reserve	Retained Surplus	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	-	5,939	20,000	91,460	200,992	318,391
Surplus for the year	-	-	-	-	416,151	416,151
Transfer from Retained Earnings	2,079	-	-	398,886	(400,965)	-
Balance at 30 June 2021	2,079	5,939	20,000	490,346	216,178	734,542

2020

	BRASSN Reserve	Piano Funds Reserve	DFFH 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

The accompanying notes form part of these financial statements.

Ballarat Regional Multicultural Council Inc

ABN 24 776 744 519

Statement of Cash Flows
For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from government and communities	2,740,689	839,034
Payments to suppliers, employees and communities	(1,420,283)	(1,073,456)
Interest received	299	6,387
Net cash provided by/(used in) operating activities	1,320,705	(228,035)
	10	
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(43,792)	(17,625)
Proceeds from disposal of property, plant and equipment	7,077	-
Net cash used in investing activities	(36,715)	(17,625)
Net increase/(decrease) in cash held	1,283,990	(245,660)
Cash at beginning of year	435,483	681,143
Cash at end of financial year	1,719,473	435,483
	4	

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2021

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 as there are unlikely to be any users who would rely on the general purpose financial statements.

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 all 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.

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 2021

1 Summary of Significant Accounting Policies

(d) Revenue and other income

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Grant income

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

Grant income for contracts which are either not enforceable or do not have sufficiently specific performance obligations is recognised when received in accordance with AASB 1058.

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 2021

2 Revenue

	2021	2020
	\$	\$
Government and community grants	2,034,470	1,242,995
Fundraising and events	11,326	22,690
Other revenue	9,703	19,635
Rental income	-	1,853
Interest income	299	6,387
Sponsorship	-	30,364
Donations	2,229	5,932
	2,058,027	1,329,856

3 Other Expenses

Accounting & audit fees	20,927	8,115
Advertising	1,144	1,045
Consulting fees	33,968	28,725
Lease expenses	3,144	3,144
Legal expenses	-	6,710
Memberships & subscriptions	1,102	2,068
Motor vehicles expense	4,342	4,841
Occupancy expenses	15,395	33,291
Repairs & maintenance	131,186	78,166
Printing & stationary	8,971	10,004
Sundry expenses	5,438	11,979
	225,617	188,088

4 Cash and cash equivalents

Cash at bank and in hand	1,608,425	325,163
Short-term bank deposits	111,048	110,320
	1,719,473	435,483

Notes to the Financial Statements For the Year Ended 30 June 2021

5 Trade and other receivables

	2021	2020
	\$	\$
Trade and other receivables	29,120	67,190
	<u>29,120</u>	<u>67,190</u>

6 Property, plant and equipment

Plant and equipment

At cost	113,463	88,738
Accumulated depreciation	(48,550)	(53,737)
	<u>64,913</u>	<u>35,001</u>

Motor vehicles

At cost	52,848	52,848
Accumulated depreciation	(42,421)	(37,438)
	<u>10,427</u>	<u>15,410</u>

Total property, plant and equipment

	<u>75,340</u>	<u>50,411</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 2021			
Balance at the beginning of year	35,001	15,410	50,411
Additions	43,792	-	43,792
Depreciation expense	(9,781)	(4,983)	(14,764)
Disposals	(4,099)	-	(4,099)
Balance at the end of the year	<u>64,913</u>	<u>10,427</u>	<u>75,340</u>

7 Trade and other payables

	2021	2020
	\$	\$
Trade payables	93,841	21,560
Auspiced activities	3,089	1,089
GST payable	100,978	8,528
Superannuation payable	20,090	14,670
PAYG withholding payable	12,640	23,442
	<u>230,638</u>	<u>69,289</u>

Notes to the Financial Statements

For the Year Ended 30 June 2021

8 Provisions

	2021	2020
	\$	\$
CURRENT		
Provision for annual leave	88,205	30,117
Provision for long service leave	15,030	15,470
	<u>103,235</u>	<u>45,587</u>
NON-CURRENT		
Provision for long service leave	8,552	20,132
	<u>8,552</u>	<u>20,132</u>

9 Contracted Liabilities

Government grants	749,149	101,280
	<u>749,149</u>	<u>101,280</u>

10 Cash Flow Information

Reconciliation of surplus to cash provided by operating activities:

Surplus for the year	416,151	177,815
<u>Non-cash flows in surplus:</u>		
- depreciation	14,764	7,405
- (profit)/loss on disposal of plant and equipment	(2,978)	1,538
<u>Changes in assets and liabilities:</u>		
- (increase) decrease in trade and other receivables	38,070	(53,975)
- (increase) decrease in prepayments	(588)	1,880
- increase (decrease) in contracted liabilities	647,869	(431,998)
- increase (decrease) in trade and other payables	161,349	54,154
- increase in provisions	46,068	15,146
Cash provided by operating activities	<u>1,320,705</u>	<u>(228,035)</u>

Notes to the Financial Statements

For the Year Ended 30 June 2021

11 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.

DFFH Cash Reserve

The Department of Families, Fairness and Housing provided a cash buffer of \$20,000 to the Association some years ago, when the Association was experiencing low levels of cash. This money is only to be used with the consent of the Department of Families, Fairness and Housing 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.

12 Association Details

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

Ballarat Regional Multicultural Council Inc

25 Barkly Street

Ballarat East VIC 3350

Ballarat Regional Multicultural Council Inc

ABN 24 776 744 519

Statement by Members of the Committee

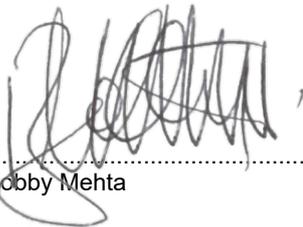
The committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

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 2021 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:

Deputy Chair



.....
Bobby Mehta

Treasurer



.....
Andrew Tennant

23 November 2021

Ballarat Regional Multicultural Council Inc

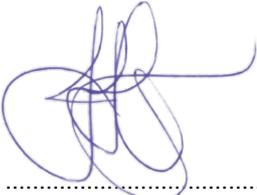
ABN 24 776 744 519

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 2021, 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.

CountPro Audit Pty Ltd
CountPro Audit Pty Ltd

A handwritten signature in blue ink, appearing to be "J. Hargreaves", written over a dotted line.

Jason D. Hargreaves
Director

22 November 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 2021, 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 2021 presents fairly, in all material respects, including:

- i) giving a true and fair view of the Association's financial position as at 30 June 2021 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.

CountPro Audit Pty Ltd
CountPro Audit Pty Ltd



.....
Jason D. Hargreaves
Director

20 Lydiard Street South, Ballarat

23 November 2021

Ballarat Regional Multicultural Council Inc.

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