

Multicultural Communities Council of SA Inc

ABN 13 253 714 844

Financial Statements - 30 June 2020

Multicultural Communities Council of SA Inc
Contents
30 June 2020

Statement of profit or loss and other comprehensive income	2
Statement of financial position	3
Statement of changes in equity	4
Statement of cash flows	5
Notes to the financial statements	6
Directors' declaration	15
Independent auditor's report to the members of Multicultural Communities Council of SA Inc	16



MULTICULTURAL COMMUNITIES COUNCIL OF SA INC

ABN 13 253 714 844

AUDITOR'S INDEPENDENCE DECLARATION

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of the financial report of Multicultural Communities Council of SA Inc for the year ended 30 June 2020.

HLB Mann Judd

**HLB Mann Judd Audit (SA) Pty Ltd
Chartered Accountants**

Adelaide, South Australia
26 October 2020

c.m.g.

**Corey McGowan
Director**

hlb.com.au

HLB Mann Judd Audit (SA) Pty. Ltd. ABN: 32 166 337 097

169 Fullarton Road, Dulwich SA 5065 | PO Box 377, Kent Town SA 5071

T: +61 (0)8 8133 5000 | F: +61 (0)8 8431 3502 | E: reception@hlbsa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd Audit (SA) Pty. Ltd. is a member of HLB International, the global advisory and accounting network.

Multicultural Communities Council of SA Inc
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Revenue	3	54,970	78,149
Other income	4	184,551	125,183
Grants received	5	1,320,513	1,197,624
Total revenue		<u>1,560,034</u>	<u>1,400,956</u>
Expenses			
Operating expenses	6	(463,183)	(438,680)
Employee benefits expense		(1,058,842)	(881,665)
Depreciation expense		(44,333)	(54,164)
Finance costs		(49)	(41)
Total expenses		<u>(1,566,407)</u>	<u>(1,374,550)</u>
Surplus/(deficit) for the year		(6,373)	26,406
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of land and buildings		<u>224,283</u>	-
Other comprehensive income for the year		<u>224,283</u>	-
Total comprehensive income for the year		<u><u>217,910</u></u>	<u><u>26,406</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Multicultural Communities Council of SA Inc
Statement of financial position
As at 30 June 2020

	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	7	515,024	339,045
Trade and other receivables	8	31,980	147,825
Total current assets		<u>547,004</u>	<u>486,870</u>
Non-current assets			
Other financial assets	9	833,786	899,255
Property, plant and equipment	10	1,665,832	1,453,079
Total non-current assets		<u>2,499,618</u>	<u>2,352,334</u>
Total assets		<u>3,046,622</u>	<u>2,839,204</u>
Liabilities			
Current liabilities			
Trade and other payables	11	98,618	95,821
Employee benefits	12	142,888	112,996
Grants in advance	13	244,187	313,419
Total current liabilities		<u>485,693</u>	<u>522,236</u>
Non-current liabilities			
Employee benefits	12	26,051	-
Total non-current liabilities		<u>26,051</u>	<u>-</u>
Total liabilities		<u>511,744</u>	<u>522,236</u>
Net assets		<u>2,534,878</u>	<u>2,316,968</u>
Equity			
Reserves	14	883,274	658,991
Retained surpluses		1,651,604	1,657,977
Total equity		<u>2,534,878</u>	<u>2,316,968</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Multicultural Communities Council of SA Inc
Statement of changes in equity
For the year ended 30 June 2020

	Asset revaluation reserve \$	Retained surpluses \$	Total equity \$
Balance at 1 July 2018	658,991	1,631,571	2,290,562
Surplus for the year	-	26,406	26,406
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	26,406	26,406
Balance at 30 June 2019	<u>658,991</u>	<u>1,657,977</u>	<u>2,316,968</u>
	Asset revaluation reserve \$	Retained surpluses \$	Total equity \$
Balance at 1 July 2019	658,991	1,657,977	2,316,968
Deficit for the year	-	(6,373)	(6,373)
Other comprehensive income for the year	224,283	-	224,283
Total comprehensive income for the year	224,283	(6,373)	217,910
Balance at 30 June 2020	<u>883,274</u>	<u>1,651,604</u>	<u>2,534,878</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Multicultural Communities Council of SA Inc
Statement of cash flows
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from Government grants, services and memberships		1,708,522	1,366,048
Payments to suppliers and employees		(1,582,751)	(1,389,194)
Interest received		17,591	17,111
Interest paid		(49)	-
Net cash from/(used in) operating activities	15	<u>143,313</u>	<u>(6,035)</u>
Cash flows from investing activities			
Payments for investments		(14,752)	(91,834)
Payments for property, plant and equipment	10	(32,803)	(74,548)
Proceeds from disposal of investments		80,221	-
Net cash from/(used in) investing activities		<u>32,666</u>	<u>(166,382)</u>
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		175,979	(172,417)
Cash and cash equivalents at the beginning of the financial year		<u>339,045</u>	<u>511,462</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>515,024</u></u>	<u><u>339,045</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Multicultural Communities Council of SA Inc
Notes to the financial statements
30 June 2020

Note 1. General information

The financial statements cover the Multicultural Communities Council of SA Inc as an individual entity. The financial statements are presented in Australian dollars, which is Multicultural Communities Council of SA Inc's functional and presentation currency.

Multicultural Communities Council of SA Inc is a not-for-profit incorporated association, incorporated and domiciled in Australia. Its registered office and principal place of business is:

113 Gilbert St, Adelaide SA 5000

The financial statements were authorised for issue on 26 October 2020.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

AASB 15 Revenue from Contracts with Customers

The Association has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 1058 Income of Not-for-Profit Entities

The Association has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

Basis of preparation

In the Directors' opinion, the Association is not a reporting entity because there are no users dependent on general purpose financial statements.

Note 2. Significant accounting policies (continued)

These are special purpose financial statements that have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012, South Australian legislation, the Associations Incorporation Act 1985 and associated regulations. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of Multicultural Communities Council of SA Inc.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standard and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cashflows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

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

Income tax

As the Association is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Association becomes party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Association has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial liabilities

The Association's financial liabilities have been subsequently measured at amortised cost.

Multicultural Communities Council of SA Inc
Notes to the financial statements
30 June 2020

Note 2. Significant accounting policies (continued)

Investments

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the Association has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The Association recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Association's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Goods and Services Tax ('GST')

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Note 3. Revenue

	2020	2019
	\$	\$
Hall hire	3,855	16,096
Membership subscriptions	6,318	8,309
Consultation fees	18,370	15,350
Bus hiring fee	26,427	38,394
Revenue	<u>54,970</u>	<u>78,149</u>

Accounting policy for revenue recognition

The Association recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Association: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Multicultural Communities Council of SA Inc
Notes to the financial statements
30 June 2020

Note 3. Revenue (continued)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Government subsidies and grants

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

Donations

Donations collected are recognised as revenue when the Association gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Note 4. Other income

	2020	2019
	\$	\$
Asset improvement grants (capital)	14,710	102,012
Donations	136	810
Government assistance	152,000	-
Interest	17,591	17,111
Reimbursement	114	5,250
	<u>184,551</u>	<u>125,183</u>
Other income		

Multicultural Communities Council of SA Inc
Notes to the financial statements
30 June 2020

Note 5. Grants received

	2020	2019
	\$	\$
Active and Connected Communities	43,738	-
Ageing Well	40,000	30,000
Cambodian Multicultural Youth New Year Program	-	3,020
Carer SA	4,000	-
Carers Retreat	32,178	36,801
Community Visitors Scheme	190,400	156,895
Disaster Resilience	91,960	-
Drug and Alcohol Services SA	-	16,900
Inclusive Communities	152,235	149,946
Intercultural Youth Leaders	48,800	-
Knowing Your Rights	-	10,000
Other grants received	8,481	4,104
Palliative Care	6,000	-
Play Group	-	1,601
Reconnect	237,046	233,462
Sector Support and Advocacy	230,000	200,938
The New and Emerging Communities Youth Engagement Program	-	52,679
Transport	170,586	168,065
Uniting SA	20,000	19,091
Waste	10,000	-
Wellbeing	2,768	-
Youth Development/Engagement	32,321	114,122
	<u>1,320,513</u>	<u>1,197,624</u>

Note 6. Operating expenses

	2020	2019
	\$	\$
Consulting and contracting	32,765	41,116
Programme expense	219,456	197,099
Conferences & meetings	18,802	12,531
Travel expenses	20,741	25,451
Advertising	8,520	3,590
Cleaning	9,998	8,614
Communication	7,247	3,079
Computer expenses	19,688	18,536
Dues and subscriptions	4,118	5,842
Events	4,707	2,839
Gas and electricity	5,697	6,632
Insurance	10,843	14,133
Motor vehicle expenses	30,035	20,131
Rates and taxes	7,032	7,984
Office supplies	6,289	7,096
Printing and reproduction	15,052	14,225
Auditing fees	9,112	8,922
Rent	-	10,564
Repair and maintenance	3,056	7,268
Venue hire	10,678	8,142
Other expenses	19,347	14,886
	<u>463,183</u>	<u>438,680</u>

Multicultural Communities Council of SA Inc
Notes to the financial statements
30 June 2020

Note 7. Cash and cash equivalents

	2020	2019
	\$	\$
<i>Current assets</i>		
Cash on hand	500	500
Cash at bank	<u>514,524</u>	<u>338,545</u>
	<u><u>515,024</u></u>	<u><u>339,045</u></u>

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 8. Trade and other receivables

	2020	2019
	\$	\$
<i>Current assets</i>		
Trade receivables	22,776	147,185
Other receivables	<u>9,204</u>	<u>640</u>
	<u><u>31,980</u></u>	<u><u>147,825</u></u>

Note 9. Other financial assets

	2020	2019
	\$	\$
<i>Non-current assets</i>		
Term deposit held with Big Sky	-	80,221
Term deposit held with ANZ Bank	<u>833,786</u>	<u>819,034</u>
	<u><u>833,786</u></u>	<u><u>899,255</u></u>

Multicultural Communities Council of SA Inc
Notes to the financial statements
30 June 2020

Note 10. Property, plant and equipment

	2020 \$	2019 \$
<i>Non-current assets</i>		
Land - at independent valuation	830,000	400,000
Buildings - at independent valuation	690,850	877,869
Less: Accumulated depreciation	(1,752)	(1,918)
	<u>689,098</u>	<u>875,951</u>
Plant and equipment - at cost	194,109	184,631
Less: Accumulated depreciation	(106,612)	(85,182)
	<u>87,497</u>	<u>99,449</u>
Motor vehicles - at cost	182,151	182,151
Less: Accumulated depreciation	(137,285)	(124,259)
	<u>44,866</u>	<u>57,892</u>
Computer equipment - at cost	112,309	109,834
Less: Accumulated depreciation	(97,938)	(90,047)
	<u>14,371</u>	<u>19,787</u>
	<u><u>1,665,832</u></u>	<u><u>1,453,079</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Land \$	Buildings \$	Motor vehicles \$	Plant and equipment \$	Computer equipment \$	Total \$
Balance at 1 July 2019	400,000	875,951	57,892	99,449	19,787	1,453,079
Additions	-	20,850	-	9,478	2,475	32,803
Revaluation	430,000	(205,717)	-	-	-	224,283
Depreciation expense	-	(1,986)	(13,026)	(21,430)	(7,891)	(44,333)
Balance at 30 June 2020	<u><u>830,000</u></u>	<u><u>689,098</u></u>	<u><u>44,866</u></u>	<u><u>87,497</u></u>	<u><u>14,371</u></u>	<u><u>1,665,832</u></u>

Accounting policy for property, plant and equipment

Land and buildings are shown at fair value based on valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Multicultural Communities Council of SA Inc
Notes to the financial statements
30 June 2020

Note 10. Property, plant and equipment (continued)

Depreciation is calculated on a diminishing value method to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Plant and equipment	5 years
Motor vehicle	5 years
Computer equipment	2.5 years

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 11. Trade and other payables

	2020 \$	2019 \$
<i>Current liabilities</i>		
Trade payables	34,791	14,290
Superannuation payable	34,303	29,084
BAS payable	29,524	45,367
Other payables	-	7,080
	<u>98,618</u>	<u>95,821</u>

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 12. Employee benefits

	2020 \$	2019 \$
<i>Current liabilities</i>		
Annual leave	89,816	67,538
Long service leave	53,072	45,458
	<u>142,888</u>	<u>112,996</u>
<i>Non-current liabilities</i>		
Long service leave	26,051	-
	<u>168,939</u>	<u>112,996</u>

Accounting policy for employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

Liabilities for long service leave expected to be settled later than 12 months after the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Multicultural Communities Council of SA Inc
Notes to the financial statements
30 June 2020

Note 13. Grants in advance

	2020	2019
	\$	\$
<i>Current liabilities</i>		
Visitor scheme	37,100	-
Disaster Resilience	-	43,560
Uniting Care	-	20,000
Youth Development (UK)	40,000	32,321
Green Industries (Waste)	-	10,000
Core Activities Project	-	115,000
Intercultural Young Leaders	-	48,800
Active and Connected Communities	-	43,738
Aging well	20,000	-
Palliative care	19,000	-
Carer SA	6,250	-
COVID-19 Social Strategies	30,000	-
Office for ageing seniors funding	2,405	-
Commissioners community conversations	5,000	-
Wellbeing	55,232	-
Other sundry grants	29,200	-
	<u>244,187</u>	<u>313,419</u>

Note 14. Reserves

	2020	2019
	\$	\$
Asset revaluation reserve	<u>883,274</u>	<u>658,991</u>

Asset revaluation reserve

The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties.

Note 15. Reconciliation of surplus/(deficit) to net cash from/(used in) operating activities

	2020	2019
	\$	\$
Surplus/(deficit) for the year	(6,373)	26,406
Adjustments for:		
Depreciation and amortisation	44,333	54,164
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	115,845	(141,982)
Increase/(decrease) in trade and other payables	2,797	(12,575)
Increase in employee benefits	55,943	36,134
(Decrease)/increase in grants received in advance	(69,232)	31,818
Net cash from/(used in) operating activities	<u>143,313</u>	<u>(6,035)</u>

Multicultural Communities Council of SA Inc
Directors' declaration
30 June 2020

In the Directors' opinion:

- the Association is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and South Australian legislation the Associations Incorporation Act 1985 and associated regulations;
- the attached financial statements and notes comply with the Accounting Standards as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Association's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

On behalf of the Directors



Miriam Cocking
Chairperson



Silvio Iadarola
Treasurer

26 October 2020

Independent Auditor's Report to the Members of Multicultural Communities Council of SA Inc.

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Members of Multicultural Communities Council of SA Inc. ("the Association"), which comprises the balance sheet as at 30 June 2020, 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, and the Directors' declaration.

In our opinion, the accompanying financial report of the Association is 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 2020 and of its financial performance and cash flows for the year then ended; and
- b) 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 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 financial reporting responsibilities under 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.

hlb.com.au

HLB Mann Judd Audit (SA) Pty. Ltd. ABN: 32 166 337 097

169 Fullarton Road, Dulwich SA 5065 | PO Box 377, Kent Town SA 5071

T: +61 (0)8 8133 5000 | F: +61 (0)8 8431 3502 | E: reception@hlbsa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd Audit (SA) Pty. Ltd. is a member of HLB International, the global advisory and accounting network.

Responsibilities of Management and Directors for the Financial Report

Management is responsible for the preparation of the special purpose financial report that gives a true and fair view in accordance with the relevant Australian Accounting Standards in accordance with the *Australian Charities and Not-for Profits Commission Regulations 2013* and 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 is free from material misstatement, whether due to fraud or error.

In preparing the special purpose 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 management either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The Directors 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 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.

hlb.com.au

HLB Mann Judd Audit (SA) Pty. Ltd. ABN: 32 166 337 097

169 Fullarton Road, Dulwich SA 5065 | PO Box 377, Kent Town SA 5071

T: +61 (0)8 8133 5000 | F: +61 (0)8 8431 3502 | E: reception@hlbsa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd Audit (SA) Pty. Ltd. is a member of HLB International, the global advisory and accounting network.

Auditor's Responsibilities for the Audit of the Financial Report (continued)

- Conclude on the appropriateness of the 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 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.

A handwritten signature in blue ink that reads 'HLB Mann Judd'.

HLB Mann Judd Audit (SA) Pty Ltd
Chartered Accountants

Adelaide, South Australia
27 October 2020

A handwritten signature in blue ink that reads 'C. McGowan'.

Corey McGowan
Director

hlb.com.au

HLB Mann Judd Audit (SA) Pty. Ltd. ABN: 32 166 337 097

169 Fullarton Road, Dulwich SA 5065 | PO Box 377, Kent Town SA 5071

T: +61 (0)8 8133 5000 | F: +61 (0)8 8431 3502 | E: reception@hlbsa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd Audit (SA) Pty. Ltd. is a member of HLB International, the global advisory and accounting network.