

ARID LANDS ENVIRONMENT CENTRE INC

ABN 50 100 640 918

FINANCIAL REPORT

YEAR ENDED 30 JUNE 2017

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ARID LANDS ENVIRONMENT CENTRE INC
ABN 50 100 640 918
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
INCOME		
NT Government Grant	100,000	-
Project Grants	1,006,131	411,954
Consultancy Income	16,022	80,393
Donations received	92,288	83,138
Interest Received	8,980	11,060
Memberships	11,748	11,928
Merchandise	78,295	36,435
Other Revenue	21,357	19,907
Rent Income	-	4,141
Fundraising	6,700	24,631
TOTAL INCOME	<u>1,341,521</u>	<u>683,587</u>
EXPENDITURE		
Accounting Fees	-	2,352
Advertising	8,313	10,476
Audit Fees	7,299	6,987
Bank Charges	1,844	1,596
Bad Debts	290	1,499
Catering	7,260	5,560
Cleaning	2,238	2,452
Computer, IT & Internet Costs	7,952	9,736
Depreciation	16,446	10,919
Electricity	9,386	9,500
Fringe Benefits Tax	2,646	-
Fundraising	3,700	5,575
Hire of plant & equipment	24,058	12,174
Insurance	17,813	13,223
Materials & Supplies	135,273	59,312
Minor Equipment	13,537	19,928
Motor Vehicle Expenses	47,649	29,433
Multi Media Productions	13,002	5,500
Office expenses	2,012	1,561
Postage	419	110
Printing and Stationery	5,082	4,820
Professional Development	6,849	1,988
Provision for Annual Leave	2,109	11,495
Provision for Long Service Leave	28,495	2,216
Rent, Rates & Taxes	11,360	11,660
Repairs & Maintenance	703	842

The accompanying notes form part of this financial report

ARID LANDS ENVIRONMENT CENTRE INC
ABN 50 100 640 918

INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
EXPENDITURE (Contd)		
Salaries & Wages	631,481	372,653
Subcontractor Fees	155,433	28,844
Subscriptions	3,062	2,540
Sundry Expenses	12,210	2,623
Superannuation Contributions	58,572	35,185
Telephone	3,826	4,058
Travel, Allowances & Fares	49,264	25,650
Workshop Expenses	32	-
TOTAL EXPENDITURE	<u>1,289,615</u>	<u>712,467</u>
NET SURPLUS (DEFICIT)	<u>\$ 51,906</u>	<u>\$ (28,880)</u>

The accompanying notes form part of this financial report

ARID LANDS ENVIRONMENT CENTRE INC

ABN 50 100 640 918

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

	Retained Surpluses
Opening Balance, 1 July 2015	356,226
Net Surplus (Deficit) attributable to members	<u>(28,880)</u>
Closing Balance, 30 June 2016	327,346
Net Surplus (Deficit) attributable to members	<u>51,906</u>
RETAINED SURPLUSES AT THE END OF THE FINANCIAL YEAR	<u><u>\$ 379,252</u></u>

The accompanying notes form part of these financial statements

ARID LANDS ENVIRONMENT CENTRE INC
ABN 50 100 640 918

ASSETS AND LIABILITIES STATEMENT AS AT 30 JUNE 2017

	Note	2017	2016
CURRENT ASSETS			
Cash and Cash equivalents	2	757,480	610,531
Accounts receivable & other debtors	3	95,066	51,730
Rental Bond		500	-
Prepayments & Accrued Income		<u>3,685</u>	<u>11,991</u>
TOTAL CURRENT ASSETS		<u>856,731</u>	<u>674,252</u>
NON-CURRENT ASSETS			
Property, Plant & Equipment	4	125,029	97,122
Less Accumulated Depreciation		<u>48,153</u>	<u>31,706</u>
TOTAL NON-CURRENT ASSETS		<u>76,876</u>	<u>65,416</u>
TOTAL ASSETS		<u>933,607</u>	<u>739,668</u>
CURRENT LIABILITIES			
Accounts payable & other payables		50,752	17,807
Accrued Expenses		18,144	8,387
Payroll Liabilities		30,587	30,526
GST Payable		36,878	17,906
Unexpended Grants	5	262,435	250,764
Income in Advance		68,182	30,159
Provision for Annual Leave		27,540	25,431
Provision for Long Service Leave		<u>34,463</u>	<u>31,342</u>
TOTAL CURRENT LIABILITIES		<u>528,981</u>	<u>412,322</u>
NON-CURRENT LIABILITIES			
Provision for Long Service Leave		<u>25,374</u>	<u>-</u>
TOTAL NON-CURRENT LIABILITIES		<u>25,374</u>	<u>-</u>
TOTAL LIABILITIES		<u>554,355</u>	<u>412,322</u>
NET ASSETS		<u>\$ 379,252</u>	<u>\$ 327,346</u>
MEMBERS' FUNDS			
Retained Surpluses		<u>379,252</u>	<u>327,346</u>
TOTAL MEMBERS' FUNDS		<u>\$ 379,252</u>	<u>\$ 327,346</u>

The accompanying notes form part of this financial report

ARID LANDS ENVIRONMENT CENTRE INC
ABN 50 100 640 918

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts		1,294,995	655,622
Payments to Suppliers and Employees		(1,129,120)	(575,978)
Interest Received		8,980	11,060
Net Cash provided by (used in) Operating Activities		<u>174,855</u>	<u>90,704</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant & Equipment		(27,906)	(53,592)
Proceeds from disposal of Property, Plant & Equipment		-	-
Net Cash provided by (used in) Investing Activities		<u>(27,906)</u>	<u>(53,592)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net Cash provided by (used in) Financing Activities		<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash Held		146,949	37,112
Cash at the Beginning of the Financial Year		610,531	573,419
Cash at the End of the Financial Year	2	<u>\$ 757,480</u>	<u>\$ 610,531</u>

The accompanying notes form part of this financial report

ARID LANDS ENVIRONMENT CENTRE INC

ABN 50 100 640 918

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Act. The board has determined that the Association is not a reporting entity.

The financial statements have 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 valuation of non-current assets.

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) Income Tax

Under Section 50.5 of the Income Tax Assessment Act 1997 the income of the Association is exempt from income tax.

(b) Property, Plant & Equipment

The depreciable amount of all other 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. Profit and losses on disposal of property, plant & equipment are taken into account in determining the surplus for the year.

(c) Impairment of assets

At the end of each reporting period the board has satisfied itself that the carry forward value of tangible and intangible assets is not impaired. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement.

(d) Employee Benefits

Provision is made in respect of the Association's liability for annual leave at balance date. Long service leave is accrued in respect of employees with more than five years employment with the Association.

Contributions are made by the Association to an employee superannuation fund and are charged as expenses when incurred. The Association has no legal obligation to provide benefits to employees on retirement.

(e) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument

Grant income is recognised when the association obtains control over the funds, which is generally when the grant is acquitted.

If conditions are attached to the grant that must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are met.

ARID LANDS ENVIRONMENT CENTRE INC

ABN 50 100 640 918

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd)

(f) Goods & 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 (ATO). 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 ATO is included with other receivables or payables in the assets and liabilities statement.

(g) Going Concern

The accounts of the Arid Lands Environment Centre Inc have been prepared on the basis that it is a going concern and that the Association will continue to operate. The Association's future as a going concern is dependant upon grants and subject to compliance attached to grants received.

On this basis the Arid Lands Environment Centre Inc will generate sufficient cash flow to be able to pay its debts as and when they fall due.

	2017	2016
NOTE 2: CASH AND CASH EQUIVALENTS		
Cash at Bank - Ops Account	14,340	1,058
Cash at Bank - Gift Account	57,675	42,417
Cash at Bank - Holding Account	305,837	195,878
Cash at Bank - Pay Pal Account	16,704	15,006
ALEC Debit card	1,398	3,657
AEES Debit card	1,965	-
Term Deposit	358,156	350,000
Cash on Hand	1,405	2,515
	<u>757,480</u>	<u>610,531</u>
NOTE 3: ACCOUNTS RECEIVABLE & OTHER RECEIVABLES		
Trade & Sundry Debtors	97,066	53,730
Less: Provisions for Doubtful Debts	2,000	2,000
	<u>95,066</u>	<u>51,730</u>
NOTE 4: PROPERTY, PLANT & EQUIPMENT		
Leasehold Improvements (at cost)	38,340	14,200
Less Accumulated Depreciation	9,650	6,625
	<u>28,690</u>	<u>7,575</u>
Office Furniture and Equipment (at cost)	22,574	20,488
Less Accumulated Depreciation	16,508	14,466
	<u>6,066</u>	<u>6,022</u>
Motor Vehicles (at cost)	64,115	62,434
Less Accumulated Depreciation	21,995	10,615
	<u>42,120</u>	<u>51,819</u>
Total Property Plant & Equipment at cost	125,029	97,122
Less Accumulated Depreciation	48,153	31,706
	<u>76,876</u>	<u>65,416</u>

ARID LANDS ENVIRONMENT CENTRE INC

ABN 50 100 640 918

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

NOTE 5: UNEXPENDED GRANTS

At balance date the Association had not expended all of its grant funds. These unexpended funds have been carried over into the next financial year.

NOTE 6: CONTINGENT LIABILITY

A contingent liability exists in relation to the potential repayment of surplus funds to funding bodies. It is the board's view that any surplus represents unexpended funds and will not be repayable to the funding bodies.

**ARID LANDS ENVIRONMENT CENTRE INC
ABN 50 100 640 918**

STATEMENT BY MEMBERS OF THE BOARD


The members of the Board declare that, in the Board's opinion:


The financial statements and notes, as set out on pages 1 to 9, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:

- a. comply with Australian Accounting Standards and the Associations Act; and
- b. give a true and fair view of the financial position of Arid Lands Environment Centre Inc as at 30 June 2017 and of its performance for the year ended on that date.

There are reasonable grounds to believe that Arid Lands Environment Centre Inc will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

R. Schultz 
Board Member

S.J. Davies 
Board Member

Dated this 18 day of October 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARID LANDS ENVIRONMENT CENTRE INC

Qualified Opinion

We have audited the financial report of Arid Lands Environment Centre Inc ("the entity") which comprises the assets and liabilities statement as at 30 June 2017, the income and expenditure statement, 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 statement by members of the committee.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our audit report, the accompanying financial report of the Arid Lands Environment Centre Inc is in accordance with Div 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- a) giving a true and fair view of the entity's financial position as at 30 June 2017 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 Qualified Opinion

As is common for organisations of this type, it is not practicable for Arid Lands Environment Centre Inc to maintain an effective system of internal control over cash receipts from memberships, merchandise sales & other income such as fundraising until their initial entry in the accounting records. Accordingly, our audit in relation to these activities was limited to the amounts recorded in the accounting records.

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 entity 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.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards-Reduced Disclosure Requirements 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 financial report, management is responsible for assessing the entity'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 entity or to cease operations, or have no realistic alternative but to do so.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ARID LANDS ENVIRONMENT CENTRE INC**

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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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 entity'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 entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the those charged with governance 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.



Trevor Basso - Director
Basso Newman Audit Pty Ltd
Chartered Accountants
286 Flinders Street, Adelaide
Dated this 23rd day of October 2017