

**Multicultural Council of the NT
Incorporated**

ABN: 95 095 619 466

Special Purpose Financial Report
for the year ended 30 June 2017

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STATEMENT BY COMMITTEE MEMBERS

Your committee members submit the financial report of Multicultural Council of the NT Incorporated for the year ended 30 June 2017.

EXECUTIVE COMMITTEE MEMBERS

The names of committee members at the date of this report are:

President	Kevin Kadirgamar
Vice President	Harry Spirou
Secretary	Vibeke Foss
Treasurer	Anil Basnet
Committee	Navineel Arya
	Asma Rehman Khan
	Anjana Barel
	Rita Macarounas

PRINCIPAL ACTIVITY

The principal activities of the Association during the year are to advocate, provide advice and represent the interests, concerns and aspirations of people from Culturally and Linguistically Diverse ("CALD") backgrounds in the Northern Territory; raise the profile and create awareness of the needs and issues of CALD communities, particularly recently-arrived migrants and refugees; inform, mentor, consult with, and provide a forum and meeting place for its clients and members and undertake specific projects, programs and support services aimed at addressing the needs and service gaps for clients from CALD communities.

There have been no significant changes in the nature of those activities that occurred during the year.

OPERATING RESULT

The net profit for the year was \$150,598 (2016: net profit: \$167,698)

In our opinion:

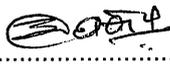
- a) the accompanying financial report, being a special purpose financial report, is drawn up so as to present fairly the state of affairs of the Association as at 30 June 2017 and the results of the Association for the year ended on that date;
- b) the accounts of the Association have been properly prepared and are in accordance with the books of account of the Association; and
- c) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.


.....

President

Darwin

Date: 8/11/2017


.....

Treasurer

Darwin

Date: 8/11/2017

Independent auditor's report to the members of the Multicultural Council of the Northern Territory Incorporated

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the accompanying special purpose financial report of Multicultural Council of Northern Territory Incorporated ("the Association"), which comprises the statement of financial position as at 30 June 2017, the statement of profit and loss and other comprehensive income and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the Statement by Committee Members.

In our opinion, except for the effects of the matter described in the *Basis of Qualified Opinion* section of our report, the special purpose financial report presents fairly, in all material respects, the financial position of Multicultural Council of Northern Territory Incorporated as of 30 June 2017 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Basis for Qualified Opinion

As in common with many other organisations of similar size and nature, the Multicultural Council of Northern Territory Incorporated records amount received when they are banked except for grant income, as it is not practical to establish control over income prior to its initial entry. Our audit relating to such income was therefore limited to ensuring that the amounts banked are properly recorded in the accounts. Accordingly, we do not express an opinion whether revenue from this source is complete.

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 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. 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 and Restriction on Distribution and Reliance

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Multicultural Council of Northern Territory Incorporated to meet the requirements of the Associations Act NT and the Association's constitution. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for Multicultural Council of Northern Territory Incorporated and should not be distributed to parties other than Multicultural Council of Northern Territory Incorporated. Our opinion is not modified in respect of these matters.

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

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Associations Act NT* and the Association's constitution and has determined the accounting policies used as described in Note 1 are appropriate to meet the needs of the Association and for such internal control as management determines is necessary to enable the preparation of a 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 Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report for the year ended 30 June 2017 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 the financial report.

As part of an audit in accordance with 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 registered 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 management 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.

Merit Partners

Merit Partners

A handwritten signature in black ink, appearing to read 'MunLi Chee', written over a horizontal line.

MunLi Chee
Director

Darwin

8 November 2017

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	2017 \$	2016 \$
Revenue			
Grant Income	9	916,110	769,453
Interest Income		7,678	9,653
Membership Fee		474	164
Unexpended Grants b/f		0	9,314
Unexpended Grants c/f		(26,000)	(14,552)
Project Recharges and Admin fees	10	227,631	160,035
Rental Income		0	2,500
Miscellaneous Income		8,762	13,703
		<u>1,134,655</u>	<u>950,270</u>
Expenses			
Advertising / Marketing		10,750	7,818
Audit and accounting fees		17,073	13,318
Admin Fees		0	0
Bank Charges		410	376
Contracts Payments		7,530	8,296
Cleaning Expenses		3,899	1,786
Depreciation		0	1,137
Subscriptions & Donations		2,501	1,166
Electricity		11,382	13,656
Employee costs		442,787	374,877
FECCA Conference (Darwin)		41,966	0
IT and Software		26,185	14,692
Insurance		31,080	38,084
Motor Vehicle Expense		5,993	4,845
Office Expense		43,068	31,365
Others		1,800	1,745
Project Expense		185,583	203,106
Rent, Rate and Maintenance		14,900	13,405
Registration Fees		1,100	4,325
Security		969	1,505
Slim Digital Payments		90,000	0
Training		7,395	7,422
Travel and accommodation		0	10,427
Telephone		21,003	18,533
Venue Hire		16,683	10,688
		<u>984,057</u>	<u>782,572</u>
Net Profit for the year		<u>150,598</u>	<u>167,698</u>

The Statement of Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	Notes	2017 \$	2016 \$
Current Assets			
Cash and cash equivalents	2	1,074,909	876,268
Trade and other receivables	3	1,942	3,131
Prepayments		10,987	10,290
Total Current Assets		<u>1,087,838</u>	<u>889,689</u>
Non-Current Assets			
Property and equipment	4	<u>0</u>	<u>0</u>
Total Non-Current Assets		<u>0</u>	<u>0</u>
Total Assets		<u>1,087,838</u>	<u>889,689</u>
Current Liabilities			
Trade and other payables	5	17,903	11,725
Unexpended Grants	8	26,000	14,552
Employee provisions	6	<u>120,496</u>	<u>90,571</u>
Total Liabilities		<u>164,399</u>	<u>116,848</u>
Net Assets		<u>923,439</u>	<u>772,841</u>
Members' Funds			
Accumulated funds	7	<u>923,439</u>	<u>772,841</u>
Total Members' Funds		<u>923,439</u>	<u>772,841</u>

The Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2017**

	Notes	2017	2016
		\$	\$
Cash Flows From Operating Activity			
Receipts from operating activities			
- Grants		927,558	769,453
- Others		212,056	183,728
Payments to suppliers and employees		(948,651)	(787,159)
Interest received		7,678	9,656
Net cash flows from operating activities	11	<u>198,641</u>	<u>175,678</u>
Cash Flow From Investing Activity		<u>0</u>	<u>0</u>
Cash Flow From Financing Activity		<u>0</u>	<u>0</u>
NET DECREASE IN CASH HELD		198,641	175,678
CASH AT BEGINNING OF YEAR		<u>876,268</u>	<u>700,590</u>
CASH AT END OF YEAR	2	<u><u>1,074,909</u></u>	<u><u>876,268</u></u>

The Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 1: Statement of Significant Accounting Policies

Basis of preparation

The Association is not a reporting entity because in the committee's opinion there are unlikely to exist users who are unable to command the preparation of reports tailored so as to satisfy all of their information needs, and these accounts are therefore "special purpose accounts" that have been prepared solely to meet the requirements of their Constitution and the Associations Act NT.

The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption. Unless otherwise stated, the accounting policies adopted are consistent with those of prior year. Except where stated, does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following specific accounting policies, which are consistent with the previous period, have been adopted in this financial report:

a. Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

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

Grants

Grant revenue (including donations and bequests) is recognised in the income statement when the Association gains control of the grant revenue. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes, it is recognised in the balance sheet as a liability until such conditions are met or services provided.

Economic Dependency

The Association is economically dependent on Northern Territory and Federal governments funding. The special purpose financial report has been prepared on a going concern basis as the Association is of the view that grant revenue will continue from Northern Territory and Federal governments.

Interest Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial asset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 1: Statement of Significant Accounting Policies (continued)

b. Income tax

The Association self-assessed its operations to be exempt from income tax under section 50-10 of the Income Tax Assessment Act 1997.

c. Goods and Services Tax (GST)

Revenues, expenses and assets recognised net of the amount of GST, except where the amount of GST is incurred is not recoverable from the 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.

d. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

e. Trade and other receivables

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts and have repayment terms between 30 and 90 days.

Collectability of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence that the Association will not be able to collect an amount due according to the original terms. On confirmation that the trade receivable will not be collectible the gross carrying value of the asset is written off against the associated provision.

f. Property and equipment

All items of property, plant and equipment, purchased during the year are expensed in full in the Statement of Comprehensive Income.

For the purpose of accountability, the Association maintains a fixed asset register.

g. Trade and other payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Association prior to the end of the financial year that are unpaid and arise when the Association becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

h. Employee provisions

Provision is made for employee benefits accumulated as a result of employee rendering services up to the reporting date. These benefits include wages and salaries and recreation leave. Liabilities arising in respect of wages and salaries and recreation leave and other employee benefit liabilities that fall due within twelve month of reporting date are classified as current liabilities and are measured at amount expected to be paid. Non-current employee benefits are those that fall due after twelve months of the reporting date

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017 \$	2016 \$
Note 2: Cash and Cash Equivalents		
CBA Operating Account	123,411	383,254
MCNT CBA T/D 50169917	0	168,629
MCNT CBA T/D 50171419	0	162,616
MCNT CBA T/D 50172825	0	160,769
MCNT CBA T/D T590150207229	250,000	0
MCNT CBA T/D 590150207210	150,000	0
MCNT CBA T/D 590150207245	150,000	0
MCNT CBA T/D 590150207237	150,000	0
MCNT CBA T/D 590150207253	250,000	0
Cash on Hand	1,498	1,000
	<u>1,074,909</u>	<u>876,268</u>
Note 3: Trade and Other Receivables		
Trade debtors	656	132
Accrued interest	0	0
Debit Cards	1,286	2,999
	<u>1,942</u>	<u>3,131</u>
Note 4: Property and Equipment		
Motor Vehicles		
At cost	0	9,752
Less accumulated depreciation	0	(9,752)
	<u>0</u>	<u>0</u>
Total Property and Equipment	<u>0</u>	<u>0</u>
Note 5: Trade and other payables		
Trade Creditors	850	0
GST Liabilities	1,305	0
Payroll Liabilities	1,448	533
Other Liabilities	14,300	11,192
	<u>17,903</u>	<u>11,725</u>
Note 6: Employee Provisions		
Annual leave	81,638	58,525
Long Service Leave	38,858	32,046
	<u>120,496</u>	<u>90,571</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017 \$	2016 \$
Note 7: Accumulated Funds		
Retained earnings at the beginning of the year	772,841	605,143
Profit / (Loss) for the year	150,598	167,698
Accumulated funds at the end of the year	<u>923,439</u>	<u>772,841</u>
Note 8: Unexpended Grants		
Grants for repaid		
Settlement Grant Program	0	8,801
Communities for Children	0	5,751
	<u>0</u>	<u>14,552</u>
Unexpended Grants c/f		
MYNT Digital	26,000	0
	<u>26,000</u>	<u>0</u>
Total Unexpended Grants	<u>26,000</u>	<u>14,552</u>
Note 9: Grant Income		
Arts and Museum	0	8,000
Business Liberian	0	2,500
CathCare Families	3,800	2,000
CBF Bollywood	0	8,000
CBF Burma	0	2,000
CBF Drumming	0	3,000
CBF Film	0	3,000
CBF Greek	10,000	10,000
CBF Rohingya	0	3,000
Centrelink Mary	0	11,826
DCC Bollywood Graduation	0	1,000
DCC Filmmakers	0	1,225
ERF Funds	7,022	7,000
ERP	0	0
Front Counter	78,037	54,637
FRRR MYNT Grants	0	10,000
Happy Migrant	764	1,178
Happy Migrant English Class	1,500	0
Homework Class	75,455	67,000
Inter Women	2,400	1,000
Inter Women Kat	1,000	0
Inter Women CB	0	1,500
Balance forwarded	<u>179,978</u>	<u>197,866</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017 \$	2016 \$
Note 9: Grant Income – cont.		
Balance brought forward	<u>179,978</u>	<u>197,866</u>
MYNT Race	0	1,450
MYNT Shout Out	0	3,000
MYNT Tornts	0	1,700
MYNT Body Love	1,249	0
MYNT Digital	116,000	0
MYNT Youth Summit	0	2,000
MYNT Volunteer	3,000	0
NTG – Operational Grant	327,000	320,000
OMA Bangla New Year	0	3,000
OMA Bollywood	0	2,500
OMA Burmese	0	500
OMA Film Makers	0	2,000
OMA Multicultural Dance	500	0
OMA Pakistan	6,500	2,000
OMA Pakistan Harmony Day	0	400
OMA Pakistan Jashne Baharan	0	0
OMA Pakistan Mlqbal	700	800
OMA Rohingya	0	600
OMA Rohingya Eid	0	1,000
OMA Somali	0	1,000
Palmerston City Council	0	5,500
Passport to Drive	155,825	150,473
SGP Citizen	89,090	47,954
SGP Supplement	25,768	21,710
Road Safety	0	4,000
Oz Fusion	8,000	0
Walk Together	2,500	0
	<u><u>916,110</u></u>	<u><u>769,453</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
Note 10: Project Recharges and Admin Fees		
Project Recharges	56,826	27,100
Project Admin Recharges	48,972	52,333
Project Rental & Hire Recharges	28,065	21,255
Project Wages Recharges	93,768	59,347
	<u>227,631</u>	<u>160,035</u>

Note 11: Reconciliation of Cash Flows

Operating profit	150,598	167,698
Depreciation & amortisation	0	1,137
Changes in employee provisions	29,925	(1,397)
Changes in assets & liabilities:		
Trade & other receivables	1,189	10,509
Prepayments and other assets	(697)	4,280
Trade & other creditors & accruals	17,626	(6,549)
Net cash flows from operating activities	<u>198,641</u>	<u>175,678</u>

Note 12: Association Details

The registered office and principal place of business of the Association is:
Multicultural Council of the NT Incorporated
Shop 15 Malak Centre
Malak Place, NT 0812