

Asylum Seeker Resource Centre Inc.

ABN: 64 114 965 815

Special Purpose Financial Report

For the Year Ended 30 June 2019

Asylum Seeker Resource Centre Inc.

ABN: 64 114 965 815

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For the Year Ended 30 June 2019

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Asylum Seeker Resource Centre Inc.

ABN: 64 114 965 815

Board Report

30 June 2019

The Board members submit the financial report of the Asylum Seeker Resource Centre Inc ("the Association") for the financial year ended 30 June 2019.

(a) General information

Board members

The names of the board members in office at any time during, or since the end of, the year are:

Names	Position	Appointed/Resigned
Mike Sum	Chairman	
Suzana Vlahovic	Treasurer	
Gregory Tucker		Appointed 5 December 2018
Haleh Homaei		
Marie Sellstrom		
Rebekah Lautman		

Board members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The Asylum Seeker Resource Centre Inc. is an independent, not-for-profit organisation that is committed to upholding the human rights of all people seeking asylum.

Our mission is to protect people seeking protection from persecution and destitution, support well-being and dignity, and empower them to advance their own future. We do this by offering 34 holistic programs that provide legal, education and employment services, as well as healthcare, aid and food to more than 4,600 people each year.

Significant changes

No significant change in the nature of these activities occurred during the year.

(b) Operating results and review of operations for the year

Operating result

The surplus of the Association for the financial year amounted to \$487,338 (2018: \$1,256,273).

(c) Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Association during the year.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

Asylum Seeker Resource Centre Inc.

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Board Report

30 June 2019

(c) Other items

Future developments and results

Likely developments in the operations of the Association and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Association.

Environmental issues

The Association's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Members of the Board:

Chairman: 
Mike Sum

Treasurer: 
Suzana Vlahovic

Dated this 29th day of October 2019

To the Board Members of Asylum Seeker Resource Centre Inc.

Auditor's Independence Declaration under subsection 60.40 of the *Australian Charities and Not-for-profits Commission Act 2012*

I declare that to the best of my knowledge and belief, during the year ended 30 June 2019, that there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Nexia Melbourne Audit Pty Ltd
Melbourne



Andrew S. Wehrens
Director

Dated: this 29th day of October 2019

Asylum Seeker Resource Centre Inc.

ABN: 64 114 965 815

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Income			
Fundraising		5,947,841	5,310,701
Donations		5,786,510	4,043,256
Grants		3,133,386	3,522,213
Social enterprises		2,547,045	2,111,695
Interest received		112,970	108,075
Other income		85,235	51,508
		<u>17,612,987</u>	<u>15,147,448</u>
Expenditure			
Salaries and wages	11	11,887,468	9,439,001
Stream operations	12	5,238,181	4,455,966
		<u>17,125,649</u>	<u>13,894,967</u>
Surplus for the year		<u>487,338</u>	<u>1,252,481</u>
Other income			
Gain on disposal of assets		-	3,792
Total other income		<u>-</u>	<u>3,792</u>
Total comprehensive income for the year		<u>487,338</u>	<u>1,256,273</u>

The accompanying notes form part of these financial statements.

Asylum Seeker Resource Centre Inc.

ABN: 64 114 965 815

Statement of Financial Position**As At 30 June 2019**

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	7,327,330	7,000,792
Trade and other receivables	5	1,649,215	1,220,281
Inventories		10,461	10,461
Prepayments		227,303	189,857
TOTAL CURRENT ASSETS		9,214,309	8,421,391
NON-CURRENT ASSETS			
Plant and equipment	6	1,114,186	889,359
Intangible assets	7	35,987	6,278
TOTAL NON-CURRENT ASSETS		1,150,173	895,637
TOTAL ASSETS		10,364,482	9,317,028
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	1,164,043	697,654
Employee benefits	9	813,803	677,014
Unexpended income	10	2,237,713	2,272,187
TOTAL CURRENT LIABILITIES		4,215,559	3,646,855
NON-CURRENT LIABILITIES			
Employee benefits	9	87,808	96,396
TOTAL NON-CURRENT LIABILITIES		87,808	96,396
TOTAL LIABILITIES		4,303,367	3,743,251
NET ASSETS		6,061,115	5,573,777
MEMBERS' FUNDS			
Retained surpluses		6,061,115	5,573,777
TOTAL MEMBERS' FUNDS		6,061,115	5,573,777

The accompanying notes form part of these financial statements.

Asylum Seeker Resource Centre Inc.

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Statement of Changes in Members' Funds
For the Year Ended 30 June 2019

2019

	Retained Surpluses	Total
	\$	\$
Balance at 1 July 2018	5,573,777	5,573,777
Surplus for the year	487,338	487,338
Balance at 30 June 2019	6,061,115	6,061,115

2018

Balance at 1 July 2017	4,317,504	4,317,504
Surplus for the year	1,256,273	1,256,273
Balance at 30 June 2018	5,573,777	5,573,777

The accompanying notes form part of these financial statements.

Asylum Seeker Resource Centre Inc.

ABN: 64 114 965 815

Statement of Cash Flows
For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from fundraising, donations and grants	14,544,502	12,096,203
Receipts from social enterprises	2,410,211	2,148,058
Other receipts	85,235	51,508
Interest received	109,631	111,611
Payments to suppliers	(4,640,609)	(4,155,919)
Payments to employees	(11,690,498)	(9,181,899)
Net cash provided by operating activities	4 818,472	1,069,562
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	-	27,737
Purchase of plant and equipment	(457,231)	(101,941)
Payments to acquire intangible assets	(34,703)	-
Net cash used in investing activities	(491,934)	(74,204)
Net increase in cash and cash equivalents held	326,538	995,358
Cash and cash equivalents at beginning of year	7,000,792	6,005,434
Cash and cash equivalents at end of financial year	3 7,327,330	7,000,792

The accompanying notes form part of these financial statements.

Asylum Seeker Resource Centre Inc.

ABN: 64 114 965 815

Notes to the Financial Statements

For the Year Ended 30 June 2019

The financial statements cover Asylum Seeker Resource Centre Inc. as an individual entity. Asylum Seeker Resource Centre Inc. is a not-for-profit organisation incorporated in Victoria under the *Associations Incorporation Reform Act 2012* ('the Act').

The functional and presentation currency of Asylum Seeker Resource Centre Inc. is Australian dollars.

1 Basis of Preparation

In the opinion of the Board, of Asylum Seeker Resource Centre Inc, ("the Association") is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Act.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1048 *Interpretation of Standards* and AASB 1054 *Australian Additional Disclosures*.

The financial statements, except for the statement of cash flows, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Where applicable, comparative information has been reclassified in the financial statements, in order to conform with current year disclosures.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Association obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the Association and the amount of the grant can be measured reliably.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(c) Revenue and other income

When grant revenue is received whereby the Association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Asylum Seeker Resource Centre Inc. receives non-reciprocal contributions of assets for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

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

Donations and bequests are recognised as revenue when the association obtains control over the funds, donations collected but not received from external parties are accrued.

(d) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

(e) Plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Plant and equipment are measured using the cost model.

Plant and equipment, is depreciated over the assets useful life to the Association commencing when the asset is ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

(f) Financial instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment charges are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

All financial assets are subject to review for impairment as least at each reporting date to identify whether there is any objective evidence that a financial assets is impaired. This includes both quantitative and qualitative information and analysis based on the Associations historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

increase in credit risk.

The Association uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

An allowance is made for expected credit losses where there is objective evidence that the Association will not be able to collect amounts due according to original terms, this is determined using the simplified approach in AASB 9 which uses an estimation of lifetime credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade payables and bank liabilities.

(g) Cash and cash equivalents

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

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(h) 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. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

(i) Adoption of new and revised accounting standards

The Association has adopted all standards which became effective for the first time at 30 June 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association.

(j) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Association has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Association where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 15 Revenue from contracts with customers and AASB 1058 Income of NFP Entities	30 June 2020	AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services. Accounting policy changes may arise in timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element. AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple element arrangements.	Management is currently working through determining the exact impact on the financial position of the adoption of the new standard.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(j) New Accounting Standards and Interpretations

Standard Name	Effective date for entity	Requirements	Impact
AASB 16 Leases	30 June 2020	<p>AASB 16 will cause the majority of leases of an entity to be brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low value assets which may remain off-balance sheet.</p> <p>The calculation of the lease liability will take into account appropriate discount rates, assumptions about lease term and increases in lease payments.</p> <p>A corresponding right to use asset will be recognised which will be amortised over the term of the lease. Rent expense will no longer be shown, the profit and loss impact of the leases will be through amortisation and interest charges.</p>	<p>It is expected that approximately \$1.2 - \$1.3M will be added to the assets and liabilities of the Association. The effect on profit is expected to be immaterial.</p>

Asylum Seeker Resource Centre Inc.

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**Notes to the Financial Statements
For the Year Ended 30 June 2019****3 Cash and Cash Equivalents**

	2019	2018
	\$	\$
Cash on hand	1,164	856
Bank balances	4,078,040	3,840,280
Short-term deposits	3,248,126	3,159,656
	<u>7,327,330</u>	<u>7,000,792</u>

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents	<u>7,327,330</u>	<u>7,000,792</u>
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4 Cash Flow Information

Reconciliation of surplus to net cash provided by operating activities:

Surplus for the year	487,338	1,256,273
Non-cash flows in surplus:		
- depreciation	237,398	187,153
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(428,934)	(305,532)
- (increase)/decrease in prepayments	(37,446)	(17,540)
- (increase)/decrease in inventories	-	16,681
- increase/(decrease) in unexpended income	(34,474)	(434,536)
- increase/(decrease) in trade and other payables	466,389	150,998
- increase/(decrease) in employee benefits	128,201	216,065
Cashflows from operating activities	<u>818,472</u>	<u>1,069,562</u>

5 Trade and Other Receivables**CURRENT**

Trade receivables	354,883	218,049
Grant receivables	220,491	90,794
	<u>575,374</u>	<u>308,843</u>
Donations receivable	1,021,508	862,444
Interest receivable	52,333	48,994
	<u>1,649,215</u>	<u>1,220,281</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Asylum Seeker Resource Centre Inc.

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Notes to the Financial Statements For the Year Ended 30 June 2019

6 Plant and Equipment

	2019 \$	2018 \$
Furniture, fixtures and fittings		
At cost	90,294	77,373
Accumulated depreciation	(54,110)	(40,828)
Total furniture, fixtures and fittings	36,184	36,545
Motor vehicles		
At cost	244,932	244,932
Accumulated depreciation	(174,887)	(149,741)
Total motor vehicles	70,045	95,191
Office equipment		
At cost	325,764	306,379
Accumulated depreciation	(225,824)	(177,879)
Total office equipment	99,940	128,500
Leasehold Improvements		
At cost	1,389,764	964,839
Accumulated depreciation	(481,747)	(335,716)
Total leasehold improvements	908,017	629,123
Telephone equipment		
At cost	49,024	49,024
Accumulated depreciation	(49,024)	(49,024)
Total telephone equipment	-	-
Total plant and equipment	1,114,186	889,359

During the year the Association purchased assets to the value of \$457,231 (2018: \$101,941) and depreciated its asset pool by \$237,398 (2018: \$187,153).

7 Intangible Assets

Website and software development		
Cost	56,626	21,923
Accumulated amortisation	(20,639)	(15,645)
Total Intangible Assets	35,987	6,278

8 Trade and Other Payables

CURRENT		
Trade payables	831,883	434,263
Accrued salaries and superannuation payable	332,160	263,391
	1,164,043	697,654

Asylum Seeker Resource Centre Inc.

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Notes to the Financial Statements For the Year Ended 30 June 2019

8 Trade and Other Payables

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

9 Employee Benefits

	2019 \$	2018 \$
CURRENT		
Annual leave	673,911	583,251
Long service leave	139,892	93,763
	<u>813,803</u>	<u>677,014</u>
NON-CURRENT		
Long service leave	87,808	96,396

10 Unexpended Income

CURRENT		
Grants received in advance	2,237,713	2,272,187

11 Salaries and Wages

Advocacy and campaigns	877,670	940,460
Fundraising	1,249,132	851,057
Human Rights Law Program	1,464,084	1,320,946
Humanitarian services	2,452,559	1,758,562
Innovation hub	1,496,431	1,267,694
Monitoring & Evaluation	212,973	77,412
Staff & Volunteer Management	639,774	470,345
Shared business services	1,399,126	1,144,392
Social enterprises	2,095,719	1,608,133
	<u>11,887,468</u>	<u>9,439,001</u>

12 Stream Operations

Advocacy and campaigns	196,998	162,392
Fundraising	912,677	626,116
Human Rights Law Program	149,357	97,689
Humanitarian services	1,516,551	1,361,784
Innovation hub	331,156	288,251
Monitoring & Evaluation	47,958	38,559
Staff & Volunteer Management	301,644	373,330
Shared business services	1,313,010	1,105,583
Social enterprises	468,830	402,262
	<u>5,238,181</u>	<u>4,455,966</u>

Asylum Seeker Resource Centre Inc.

ABN: 64 114 965 815

Notes to the Financial Statements

For the Year Ended 30 June 2019

13 Capital and Leasing Commitments

Operating Leases

	2019	2018
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	394,024	393,817
- between one year and five years	1,282,894	1,450,478
- later than five years	-	545,750
	1,676,918	2,390,045

The property lease for the Footscray office is a non-cancellable lease with a ten year term, with rent payable monthly in advance. An option exists to renew the lease at the end of the ten year period for an additional two terms of five years. Minimum lease payments increase by 3.5% annually.

The property lease for the Dandenong office is a non-cancellable lease with a five year term, with rent payable monthly in advance. An option exists to renew the lease at the end of the five year period for an additional one term of five years. Minimum lease payments increase by 3.5% annually.

The property lease for the Fitzroy Kitchen is a non-cancellable lease with a four year term, with rent payable monthly in advance. An option exists to renew the lease at the end of the four year period for an additional first term of four years and an additional second term of five years. Minimum lease payments increase by CPI annually.

14 Contingencies

In the opinion of the Board, the Association did not have any contingencies at 30 June 2019 (30 June 2018: None).

15 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

16 Statutory Information

The registered office of and principal place of business of the Association is:

Asylum Seeker Resource Centre Inc.
214-218 Nicholson Street
Footscray VIC 3011

Asylum Seeker Resource Centre Inc.

ABN: 64 114 965 815

Statement by the Members of the Board

The Board has determined that the Asylum Seeker Resource Centre Inc. is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the Board the financial report as set out on pages 4 to 17:

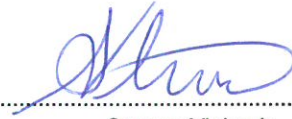
1. Presents fairly the financial position of Asylum Seeker Resource Centre Inc. as at 30 June 2019 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Asylum Seeker Resource Centre Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:

Chairman.....


Mike Sum

Treasurer.....


Suzana Vlahovic

Dated this29th..... day ofOctober..... 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASYLUM SEEKER RESOURCE CENTRE INC.

Report on the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report, of Asylum Seeker Resource Centre Inc. (the Association), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 the members of the board.

In our opinion, the accompanying financial report of the Asylum Seeker Resource Centre Inc., is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (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 and 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 the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the Board of the Association, would be in the same terms if given to the Board 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 regarding basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist the Asylum Seeker Resource Centre Inc. to comply with the financial reporting provisions 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 Board Members' for the Financial Report

The Board of the Association is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The board is also responsible for such internal control as the board determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASYLUM SEEKER RESOURCE CENTRE INC. (cont.)

In preparing the financial report, the board 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 board either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Those board members are responsible for overseeing the Association's financial reporting process.

Auditor's responsibility 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 judgment 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 those charged with governance.
- Conclude on the appropriateness of the directors' 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 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.



**Nexia Melbourne Audit Pty Ltd
Melbourne**



**Andrew S. Wehrens
Director**

Dated: this 29th day of October 2019

