

Asylum Seeker Resource Centre Inc.

ABN: 64 114 965 815

Special Purpose Financial Report

For the Year Ended 30 June 2020

Asylum Seeker Resource Centre Inc.

ABN: 64 114 965 815

Contents

For the Year Ended 30 June 2020

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Asylum Seeker Resource Centre Inc.

ABN: 64 114 965 815

Board Report

30 June 2020

The Board members submit the financial report of the Asylum Seeker Resource Centre Inc ("the Association") for the financial year ended 30 June 2020.

(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		Res 3rd December 2019
Gregory Tucker		
Haleh Homaei		
Marie Sellstrom		
Rebekah Lautman		
Chester Hii	Treasurer	Appt 3rd December 2019

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 6,800 people each year.

Significant changes in principal activities

Whilst the nature of the activities of the ASRC has not changed, in the last quarter of the financial year, there was an unprecedented increase in the demand for our services, with increased complexity in meeting beneficiaries need. A number of services were paused, so that redeployment to essential services to meet critical unmet needs could occur, including the delivery of our work remotely..

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

Operating result

The surplus of the Association for the financial year amounted to \$7,653,958 (2019: \$487,338).

(c) Other items

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.

Board Report

30 June 2020

(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 2020 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: 
Chester Hii

Dated this 27th day of October 2020

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 2020, 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 27th day of October 2020

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 2020

	Note	2020 \$	2019 \$
Income			
Fundraising		9,157,110	5,947,841
Donations		7,182,851	5,786,510
Grants		4,648,915	3,133,386
Social enterprises		2,431,701	2,547,045
Interest received		78,145	112,970
In-specie donation		2,800,000	-
Government support - Jobkeeper		1,224,000	-
Other income		101,985	85,235
		27,624,707	17,612,987
Expenditure			
Salaries and wages	13	14,048,249	11,887,468
Stream operations	14	5,922,500	5,238,181
		19,970,749	17,125,649
Surplus for the year		7,653,958	487,338
Total comprehensive income for the year		7,653,958	487,338

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 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	14,499,730	7,327,330
Trade and other receivables	6	2,094,698	1,649,215
Inventories		17,712	10,461
Prepayments		220,101	227,303
TOTAL CURRENT ASSETS		16,832,241	9,214,309
NON-CURRENT ASSETS			
Plant and equipment	7	3,895,833	1,114,186
Intangible assets	8	-	35,987
Right-of-use assets	9	852,226	-
TOTAL NON-CURRENT ASSETS		4,748,059	1,150,173
TOTAL ASSETS		21,580,300	10,364,482
LIABILITIES			
CURRENT LIABILITIES			
Lease liabilities	9	299,160	-
Trade and other payables	10	1,329,675	1,164,043
Financial liability		9,245	-
Employee benefits	11	1,063,434	813,803
Unexpended income	12	4,434,150	2,237,713
TOTAL CURRENT LIABILITIES		7,135,664	4,215,559
NON-CURRENT LIABILITIES			
Lease liabilities	9	839,221	-
Employee benefits	11	206,670	87,808
TOTAL NON-CURRENT LIABILITIES		1,045,891	87,808
TOTAL LIABILITIES		8,181,555	4,303,367
NET ASSETS		13,398,745	6,061,115
MEMBERS' FUNDS			
Retained surpluses		13,398,745	6,061,115
TOTAL MEMBERS' FUNDS		13,398,745	6,061,115

The accompanying notes form part of these financial statements.

Asylum Seeker Resource Centre Inc.

ABN: 64 114 965 815

Statement of Changes in Members' Funds

For the Year Ended 30 June 2020

2020

	Retained Surpluses	Total
	\$	\$
Balance at 1 July 2019	6,061,115	6,061,115
Adjustment due to adoption of AASB 16	(316,328)	(316,328)
Surplus for the year	7,653,958	7,653,958
Balance at 30 June 2020	13,398,745	13,398,745

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

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 2020**

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from fundraising, donations and grants	23,144,830	14,544,502
Receipts from social enterprises	2,431,701	2,410,211
Other receipts	101,985	85,235
Interest received	78,145	109,631
Payments to suppliers	(4,930,254)	(4,640,609)
Payments to employees	(12,791,987)	(11,690,498)
Net cash provided by operating activities	5 8,034,420	818,472
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	41,772	-
Purchase of plant and equipment	(549,947)	(457,231)
Payments to acquire intangible assets	-	(34,703)
Net cash (used in) investing activities	(508,175)	(491,934)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease liabilities (Principal)	(353,845)	-
Net cash (used in) financing activities	(353,845)	-
Net increase in cash and cash equivalents held	7,172,400	326,538
Cash and cash equivalents at beginning of year	7,327,330	7,000,792
Cash and cash equivalents at end of financial year	4 14,499,730	7,327,330

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 2020

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 New, revised or amended accounting standards adopted

Revenue from Contracts with Customers - Adoption of AASB 15

The Association has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 July 2019.

AASB 15 involves the use of a five-step recognition model for recognising revenue, the steps are:

Step 1 – Identify the contract with the customer

Step 2 – Identify the sufficiently specific performance obligations to be satisfied

Step 3 – Measure the expected consideration

Step 4 – Allocate that consideration to each of the performance obligations in the contract

Step 5 – Recognise revenue

The Association has described its new accounting policy below in Note 3(c). The Association has elected to adopt the practical expedient whereby contracts that are considered to be 'complete' (where revenue has been fully recognised in accordance with previous standards) are not adjusted upon the adoption of the new standards.

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 New, revised or amended accounting standards adopted

Revenue from Contracts with Customers - Adoption of AASB 15

AASB 1058 measures income by reference to the fair value of the asset received. The asset received, which could be a financial or non-financial asset, is initially measured at fair value when the consideration paid for the asset is significantly less than fair value, and that difference is principally to enable the Association to further its objectives. Otherwise, assets acquired are recognised at cost.

Where the asset has been measured at fair value, AASB 1058 requires that elements of other Accounting Standards are identified before accounting for the residual component. These standards are:

- AASB 15 *Revenue from Contracts with Customers*
- AASB 16 *Leases*
- AASB 1004 *Contributions*
- AASB 137 *Provisions, Contingent Liabilities & Contingent Assets*
- AASB 9 *Financial Instruments*

A transfer that requires the Association to use those funds to acquire or construct a recognisable non-financial asset to identified specifications; does not require the Association to transfer the non-financial asset to the transferor or other parties; and occurs under an enforceable agreement is recognised as income when (or as) the Association satisfies its obligations under the transfer.

Any donations, bequests or grants not recognised as described above are recognised as income when the Association obtains control of those funds.

The adoption of AASB 15 and AASB 1058 has not had a material impact on the financial performance or position of the Association in either current or prior reporting periods.

Leases - Adoption of AASB 16

AASB 16 replaces AASB 117 *Leases* and has been applied for the first time from 1 July 2019. The accounting policy adopted by the Association from that date is described in Note 3(b). In the previous financial year, lease rentals payable on operating leases were recognised as an expense on a straight-line basis over the lease term.

Under AASB 117, the Association assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Association or remained with the lessor.

Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

On initial application of AASB 16, the Association has elected to adopt the modified retrospective (cumulative catch-up) method, whereby the lease liability is measured at the present value of the remaining lease payments, discounted using the Association's incremental borrowing rate at 1 July 2019. The Association's incremental borrowing rate was 5.00%. The right-of-use asset has been recognised at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments at the transition date. As a result, comparative financial information has not been restated.

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 New, revised or amended accounting standards adopted

Leases - Adoption of AASB 16

Upon initial application of the Standard, the following amounts were recognised as at 1 July 2019:

Right-of-use Assets	\$1,111,024
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Lease Liabilities	\$1,427,352
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3 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

At inception of a contract, the Association assesses whether a contract is, or contains, a lease. A contract is considered to contain a lease if it allows the Association the right to control the use of an identified asset over a period of time in return for consideration.

Where a contract or arrangement contains a lease, the Association recognises a right-of-use asset and a lease liability at the commencement date of the lease.

A right-of-use asset is initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred. Lease assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment losses.

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the Association's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments include fixed payments, amounts expected to be paid under a residual value guarantee, the exercise price of purchase options for which the Association is reasonably certain to exercise and incorporate the Association's expectations of lease extension options.

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets.

Short term leases (lease term of 12 months or less) and leases of low value assets (\$5,000 or less) are recognised as incurred as an expense in the statement comprehensive income.

(c) Revenue and other income

In the previous financial year, revenue recognised in accordance with AASB 118 *Revenue* was measured at the fair value of the consideration received or receivable. The Association recognised revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Association and specific criteria have been met for each of the Association's activities.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(c) Revenue and other income

Revenue recognised under AASB 15 is measured at the amount which the Association expects to receive in consideration for satisfying performance obligations to a customer. A performance obligation is the distinct good or service defined within the contract with a customer. The transaction price is allocated to one or more performance obligations contained within the contract, with revenue being recognised as or when the performance obligation is satisfied.

Where consideration comprises variable components, the amount recognised as revenue is constrained to that amount that would not result in a significant reversal of the cumulative revenue recognised when that uncertainty is resolved.

Timing of Revenue Recognition

Revenue is recognised either at a point in time or over time, when (or as) the Association satisfies performance obligations by transferring the promised goods or services to its customers.

If the Association satisfies a performance obligation before it receives the consideration, the Association recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

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

Grant revenue

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.

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.

Donations

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.

In-specie donations are recognised at an agreed value when the association obtains control of the asset.

Government assistance

Government assistance has been received during the year under the JobKeeper and Cash Flow Boost programs. Payments under these programs are recognised as revenue once the entity is entitled to receive the payments. A receivable is recognised at year end for any payments that the entity is entitled to that have not been received.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(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).

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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(f) Financial Instruments

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 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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(f) Financial Instruments

Financial assets

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 three months or less.

(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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

4 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash on hand	606	1,164
Bank balances	14,499,124	4,078,040
Short-term deposits	-	3,248,126
	<u>14,499,730</u>	<u>7,327,330</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>14,499,730</u>	<u>7,327,330</u>
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5 Cash Flow Information

Reconciliation of surplus to net cash provided by operating activities:

Surplus for the year	7,653,958	487,338
Non-cash flows in surplus:		
- amortisation ROU assets	258,798	-
- amortisation intangibles	35,987	-
- depreciation	536,243	237,398
- net loss on disposal of property, plant and equipment	55,159	-
- donated property	(2,800,000)	-
Changes in assets and liabilities:		
- (increase) / decrease in trade and other receivables	(445,483)	(428,934)
- (increase) / decrease in prepayments	7,202	(37,446)
- (increase) / decrease in inventories	(7,251)	-
- increase / (decrease) in unexpended income	2,196,437	(34,474)
- increase / (decrease) in trade and other payables	174,877	466,389
- increase / (decrease) in employee benefits	368,493	128,201
Cashflows from operating activities	<u>8,034,420</u>	<u>818,472</u>

6 Trade and Other Receivables

CURRENT		
Trade receivables	300,798	354,883
Grant receivables	-	220,491
	<u>300,798</u>	<u>575,374</u>
Government subsidies receivable	405,000	-
Donations receivable	1,388,900	1,021,508
Interest receivable	-	52,333
	<u>2,094,698</u>	<u>1,649,215</u>

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

Notes to the Financial Statements

For the Year Ended 30 June 2020

6 Trade and Other Receivables

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.

7 Plant and Equipment

	2020 \$	2019 \$
Freehold land		
At valuation	2,100,000	-
Freehold buildings		
At valuation	701,000	-
Total Land and Buildings	2,801,000	-
Capital works in progress		
At cost	48,888	-
Total capital works in progress	48,888	-
Furniture, fixtures and fittings		
At cost	82,376	90,294
Accumulated depreciation	(29,111)	(54,110)
Total furniture, fixtures and fittings	53,265	36,184
Motor vehicles		
At cost	296,076	244,932
Accumulated depreciation	(177,426)	(174,887)
Total motor vehicles	118,650	70,045
Office equipment		
At cost	315,918	325,764
Accumulated depreciation	(193,028)	(225,824)
Total office equipment	122,890	99,940
Leasehold Improvements		
At cost	1,661,429	1,389,764
Accumulated depreciation	(910,289)	(481,747)
Total leasehold improvements	751,140	908,017
Telephone equipment		
At cost	-	49,024
Accumulated depreciation	-	(49,024)
Total telephone equipment	-	-
Total plant and equipment	3,895,833	1,114,186

Notes to the Financial Statements

For the Year Ended 30 June 2020

During the year the Association purchased assets to the value of \$549,947 (2019: \$457,231) and depreciated its asset pool by \$536,243 (2019: \$237,398).

A property was donated to ASRC and title was granted on 20 December 2019. The property was subsequently valued by Mr. Adam Takacs CPV, AAPI Member No 62980 of Insight Property Independent Licensed Valuers on 29th January 2020 at \$2,800,000. This amount has also been included as revenue of the Association.

8 Intangible Assets

	2020 \$	2019 \$
Website and software development		
Cost	-	56,626
Accumulated amortisation	-	(20,639)
Total Intangible Assets	-	35,987

9 Lease Assets and Liabilities

Right-of-use assets

Balance at the beginning of the year	-	-
Amount recognised on adoption of AASB 16 Leases	1,111,024	-
	1,111,024	-

Accumulated amortisation

Balance at the beginning of the year	-	-
Amortisation for the year	258,798	-
	258,798	-
	852,226	-

Lease liabilities

Current	299,160	-
Non-current	839,221	-
	1,138,381	-

Movement of lease liabilities during the year

Balance at beginning of the year	-	-
Amount recognised on adoption of AASB 16 Leases	1,427,352	-
Lease payments	(353,846)	-
Interest expense	64,875	-
	1,138,381	-

10 Trade and Other Payables

CURRENT

Trade payables	802,844	831,883
Accrued salaries and superannuation payable	526,831	332,160
	1,329,675	1,164,043

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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

11 Employee Benefits

	2020	2019
	\$	\$
CURRENT		
Annual leave	904,875	673,911
Long service leave	158,559	139,892
	<u>1,063,434</u>	<u>813,803</u>
NON-CURRENT		
Long service leave	206,670	87,808

12 Unexpended Income

CURRENT		
Grants received in advance	<u>4,434,150</u>	<u>2,237,713</u>

13 Salaries and Wages

Advocacy and campaigns	887,134	877,670
Fundraising	1,510,705	1,249,132
Human Rights Law Program	1,774,004	1,464,084
Humanitarian services	3,126,917	2,452,559
Innovation hub	1,639,018	1,496,431
Monitoring & Evaluation	253,082	212,973
Staff & Volunteer Management	718,662	639,774
Shared business services	1,765,036	1,399,126
Social enterprises	2,373,691	2,095,719
	<u>14,048,249</u>	<u>11,887,468</u>

14 Stream Operations

Advocacy and campaigns	83,072	196,998
Fundraising	1,007,738	912,677
Human Rights Law Program	65,075	149,357
Humanitarian services	1,875,694	1,516,551
Innovation hub	217,761	331,156
Monitoring & Evaluation	1,904	47,958
Staff & Volunteer Management	308,093	301,644
Shared business services	1,852,608	1,313,010
Social enterprises	510,555	468,830
	<u>5,922,500</u>	<u>5,238,181</u>

15 Contingencies

In the opinion of the Board, the Association did not have any contingencies at 30 June 2020 (30 June 2019: None).

Asylum Seeker Resource Centre Inc.

ABN: 64 114 965 815

Notes to the Financial Statements

For the Year Ended 30 June 2020

16 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.

17 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 3 to the financial statements.

In the opinion of the Board the financial report as set out on pages 4 to 19:

1. Presents fairly the financial position of Asylum Seeker Resource Centre Inc. as at 30 June 2020 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
Chester Hii

Dated this 27th day of October 2020

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 2020, 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 2020 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 (including Independence Standards)* (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, as at the same time as 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.

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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 27th day of October 2020

